

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT
UNIVERSITY HEIGHTS, OHIO



**Cleveland Heights-University Heights
City School District, University Heights, Ohio**

**Comprehensive Annual
Financial Report for the
Year Ended June 30, 2020**

**Issued by: Finance Department
A. Scott Gainer, Chief Financial Officer**

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

Table of Contents Page

I. Introductory Section:

Letter of Transmittal.....	vii
ASBO Certificate.....	xiii
GFOA Certificate.....	xiv
Principal Officials.....	xv
Organizational Chart.....	xvi

II. Financial Section:

Independent Auditor's Report.....	1
Management's Discussion & Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	20
Statement of Activities.....	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	24
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	25
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Budgetary Basis) and Actual – General Fund.....	30
Statement of Fund Net Position – Proprietary Funds.....	32
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	33
Statement of Cash Flows – Proprietary Funds.....	34
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	36
Notes to the Basic Financial Statements.....	37

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

Table of Contents	Page
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability – School Employees Retirement System of Ohio – For the Last Seven Fiscal Years	88
Schedule of the School District's Proportionate Share of the Net Pension Liability – State Teachers Retirement System of Ohio – For the Last Seven Fiscal Years	89
Schedule of the School District Pension Contributions – School Employees Retirement System of Ohio – For the Last Ten Fiscal Years	90
Schedule of the School District Pension Contributions – State Teachers Retirement System of Ohio – For the Last Ten Fiscal Years	91
Schedule of the School District's Proportionate Share of the Net OPEB Liability – School Employees Retirement System of Ohio – For the Last Four Fiscal Years.....	92
Schedule of the School District's Proportionate Share of the Net OPEB Asset/ Liability – State Teachers Retirement System of Ohio – For the Last Four Fiscal Years	93
Schedule of the School District OPEB Contributions – School Employees Retirement System of Ohio – For the Last Ten Fiscal Years	94
Schedule of the School District OPEB Contributions – State Teachers Retirement System of Ohio – For the Last Ten Fiscal Years	95
Notes to Required Supplementary Information	96
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds – Fund Descriptions.....	101
Combining Balance Sheet – Nonmajor Governmental Funds.....	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	105
Combining Balance Sheet – Nonmajor Special Revenue Funds	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	110

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

Table of Contents	Page
Combining Balance Sheet – Nonmajor Capital Projects Funds	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	115
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:	
General Fund	117
Special Trust Fund	122
Public School Support Fund	123
Building Fund	125
Permanent Improvement Fund	127
Other Grants Fund	128
District Managed Activity Fund	130
Auxiliary Services Fund	131
Public School Preschool Grant Fund	132
Data Communication Fund	133
Student Wellness and Success Fund	134
Miscellaneous State Grant Fund	135
Elementary and Secondary School Emergency Relief Fund'	136
IDEA (Flo-Thru) Fund	137
Vocational Education Fund	139
Title I Improvement Fund	140
Title III Fund	141
Title I Fund	143
Preschool Disabilities Grant Fund	145
Title IIA - Improving Teacher Quality Fund	146
Miscellaneous Federal Grants Fund	148
Bond Retirement Fund	150
Combining Statement – Nonmajor Propriety Funds.....	151
Combining Statement of Fund Net Position – Nonmajor Enterprise Funds.....	152
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds	153
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	154
Individual Fund Schedules of Revenues, Expenses and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual:	
Food Services Fund	157
Uniform School Supplies Fund	158
Customer Services Fund	159
Self-Insurance Fund.....	160
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	161

Cleveland Heights-University Heights City School District

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

Table of Contents	Page
III. Statistical Section:	
Statistical Section.....	S1
Net Position by Component – Last Ten Fiscal Years.....	S2
Changes in Net Position – Last Ten Fiscal Years	S3
Program Revenues by Function/Program – Last Ten Fiscal Years.....	S7
Fund Balances, Governmental Funds – Last Ten Fiscal Years	S8
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	S9
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years	S11
Principal Taxpayers – Real Estate Tax – Fiscal Year 2020 and Fiscal Year 2011	S12
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	S13
Property Tax – Levies and Collections – Real and Tangible Personal Property – Last Ten Years	S14
Computation of Direct and Overlapping General Obligation Bonded Debt – As of December 31, 2019.....	S15
Computation of Legal Debt Margin – Last Ten Fiscal Years	S16
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita – Last Ten Fiscal Years	S17
Ratio of Net General Obligation Debt to Assessed Value and Net Debt Per Capita – Last Ten Fiscal Years	S18
Demographic and Economic Statistics – Last Ten Fiscal Years.....	S19
Principal Employers – Fiscal Year 2011 and Fiscal Year 2020.....	S20
Building Statistics by Function/Program – Last Ten Fiscal Years.....	S21
Per Pupil Cost – Last Ten Fiscal Years	S23
Teacher Education and Experience – Last Ten Fiscal Years	S24
Attendance and Graduation Rates – Last Ten Fiscal Years	S25
Full-time School District Employees by Function – Last Ten Fiscal Years	S26

INTRODUCTORY SECTION

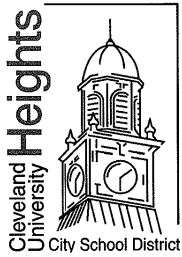


Keondre Chisolm
Gr 5 Gearity Elementary



CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



A. Scott Gainer
Chief Financial Officer

January 29, 2021

Members of the Board of Education and Residents of the
Cleveland Heights-University Heights City School District

Dear Board Members and Residents:

Ohio law (Ohio Administrative Code Section 117-2-03(B)) requires that all school districts file annual unaudited financial reports prepared on a GAAP (Generally Accepted Accounting Principles) basis with the Auditor of State within 150 days of the close of each fiscal year unless an extension is received. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that the District has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Auditor of State of Ohio, Keith Faber, has issued an unmodified (“clean”) opinion on the Cleveland Heights-University Heights City School District’s financial statements for the year ended June 30, 2020. The Independent Auditor’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the School District

The Cleveland Heights-University Heights City School District is one of 613 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The District provides education to 5,096 students in grades kindergarten through twelve. Additionally, the District provides preschool and adult education services. The District covers approximately 9.6 square miles, serving the cities of Cleveland Heights, University Heights and a small portion of South Euclid, and is located approximately ten miles southeast of downtown Cleveland.

Highlights of the history of the Cleveland Heights-University Heights City School District are as follows:

- 1901 East Cleveland Township School Board formed (included the hamlet of Cleveland Heights)
- 1902 Passed issue to build Lee Road School
- 1903 Cleveland Heights became a village
- 1904 District renamed Cleveland Heights School District
- 1905 Expansion of Lee Road School
- 1906 Roxboro Elementary School built
- 1907 First graduation at Heights High
- 1916 Fairfax Elementary School built
- 1916 New high school built on Lee Road site
- 1919 Coventry Elementary School built
- 1922 Noble Elementary School built
- 1923 Taylor Elementary School built
- 1924 Boulevard Elementary School built
- 1925 Oxford Elementary School built
- 1926 New high school at Cedar and Lee Roads built
- 1926 Roosevelt Junior High School built
- 1926 Roxboro Junior High School built
- 1927 Canterbury Elementary School built
- 1929 Superior Opportunity School built
- 1930 Monticello Junior High School built
- 1942 District became Cleveland Heights-University Heights City School District
- 1948 Northwood Elementary School built
- 1949 Belvoir Elementary School built
- 1953 Millikin Elementary School built
- 1954 Wiley Junior High School built

- 1964 Board Administration Building opened
- 1972 Bond issue to construct new Coventry, Boulevard, Fairfax, and Taylor school buildings
- 1987 Northwood Elementary School sold
- 1993 Belvoir School renamed Lauree P. Gearity Elementary School
- 2008 Coventry Elementary School closed
- 2013 Wiley Middle School closed
- 2017 High School reopened after renovation

Local Economy

The District serves approximately 46,000 residents of the City of Cleveland Heights and approximately 13,500 residents of the City of University Heights, both inner-ring suburbs of the City of Cleveland. Both communities are primarily residential in nature, with a diverse base of residents. The proximity and easy access of the cities to major cultural, educational, and medical facilities in northeast Ohio typically contributes to climbing property values, a key indicator of a community's economic health and stability where the primary "industry" is housing, although both communities have experienced a significant number of home foreclosures.

State funding of schools continues to change with each biennial budget. In the short-term, State funding to the District has been reduced due to the COVID-19 pandemic. In response to these decreases, the District has engaged in ongoing operating reductions. The District successfully passed a 6.9 mill operating levy in November, 2011 and a 5.5 mill operating levy in November, 2016, and a 4.8 mill operating levy in November, 2020.

Economic Condition and Outlook

The cities of Cleveland Heights and University Heights are primarily residential. It is expected that tax collections will remain relatively constant for the foreseeable future. Student enrollment for the 2011 school year was 5,870. Enrollment for the 2020 school year was 5,096. In addition to uncertain operating costs due to the COVID-19 pandemic, the District has seen significant losses in State funding due to the EdChoice voucher program, which diverts funding from designated public schools for students to attend private schools. The District lost \$7.1 million to these vouchers during the fiscal year, and this number is expected to grow to \$9.2 million in fiscal year 2021.

Long-Term Financial Planning

Financial Highlights - Internal Service Fund - The only internal service fund carried on the financial records of the District is related to the self-insurance fund. This fund accounts for the revenues and expenses related to the provision of medical programs. The internal service funds had a net position of \$5,477,712 at June 30, 2020 compared with a net position of \$4,556,161 at June 30, 2019. The District is meeting its claim liability.

The most recent District five-year forecast indicates a positive cash balance through 2022, with a \$2.4 million deficit beginning in 2023. To compensate for declining property tax revenue and losses from vouchers, the District is continuing to pursue various cost-containment and cost-savings strategies. The District entered into the Expedited Local Partnership Program with the Ohio School Facilities Commission to have a complete evaluation of facilities done in an effort to streamline operations and enhance delivery of instruction and successfully passed a bond issue in November of 2013.

As indicated previously, the District also successfully passed a 6.9 mill operating levy in November 2011 a 5.5 mill operating levy in November 2016, and a 4.8 mill operating levy in November 2020.

Relevant Financial Policies

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide educational services prescribed by State and/or Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as Chief Financial Officer. A complete organizational chart is included in this Introductory Section.

In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. Excluded from the reporting entity, because they are fiscally independent of the District, are the City of Cleveland Heights, the City of University Heights, the Parent-teacher Organization, and the parochial and private schools operating within the boundaries of the District.

The District is associated with two organizations, the Ohio Schools' Council and the Cleveland Heights-University Heights Public Library. The Ohio Schools' Council is a jointly governed organization whose relationship to the District is described in Note 16 to the accompanying financial statements. The Cleveland Heights-University Heights Public Library is a related organization and is described in Note 20 to the accompanying financial statements.

A complete discussion of the District's reporting entity is provided in Note 1 of the accompanying financial statements.

The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports from governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that fiscal year. By statute, permanent appropriations must be adopted upon receipt from the County Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates. The District adopts the permanent appropriation measure in September.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Fiscal Officer must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates. All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the site administrator or central office administrator and be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to the vendors. Those requests, which exceed the available appropriations, are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. On-line inquiry of account balances is available to all budget managers. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy making roles are covered by a separate higher limit bond.

The District has a comprehensive cash management program, which consists of expediting receipt of revenues and prudently depositing and investing available cash balances. The available cash of the District's individual funds is combined into a single cash pool and invested according to cash flow projections. The District invests in Money Markets, Negotiable Certificates of Deposit, Government Securities, Commercial Paper and STAR Ohio, an investment pool operated by the Treasurer of the State of Ohio. Interest earned on investments is distributed in accordance with Board of Education authorization. During fiscal year 2020, the District earned \$1,149,119 in investment income of which \$887,131 was credited to the General Fund.

The basis of accounting and the various funds utilized by the District are fully described in Note 1 to the financial statements. Additional information on the District's budgetary accounting can also be found in Notes 1 and 3.

Major Initiatives

The District continues progress on the master facilities plan. The high school was reopened for the 2017-2018 school year. The two middle schools were renovated and reopened for the 2019-2020 school year. The District also recently began a five-year strategic plan refresh, with five goals in the areas of 1) student outcomes, 2) educational approach, 3) parent & community engagement/partnerships/communication, 4) valued professionals & culture of excellence, and 5) operational resources – finances/technology/facilities.

The Board and administration continue to be committed to ongoing fiscal responsibility and accountability, continuing to pursue various cost-containment and cost-savings strategies.

Awards and Acknowledgements

Awards

The District was awarded the Government Finance Officers Association in the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) for its comprehensive annual financial report for the fiscal year ended June 30, 2019.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The District has determined that it will apply for the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year June 30, 2020.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International also awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the year ended June 30, 2019. The Association's Panel of Review judged that the District's report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. This certificate is awarded upon recommendation of the Association's Panel of Review and is valid for a period of one year only.

Acknowledgements

The publication of the Comprehensive Annual Financial Report enhances the District's accountability to the citizens of the District. The preparation of this report would not have been possible without the assistance and support of the staff of the Treasurer's Office and numerous other District staff members. Our appreciation is also expressed to the firm of Ciuni & Panichi, Inc. for their assistance in preparing this financial report.

Respectfully submitted,



A. Scott Gainer
Chief Financial Officer



Elizabeth Kirby
Superintendent



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

**Cleveland Heights-University Heights
City School District**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cleveland Heights-University Heights
City School District, Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

University Heights, Ohio

PRINCIPAL OFFICIALS

As of June 30, 2020

CHIEF FINANCIAL OFFICER

Mr. A. Scott Gainer

SUPERINTENDENT

Elizabeth Kirby

BOARD OF EDUCATION

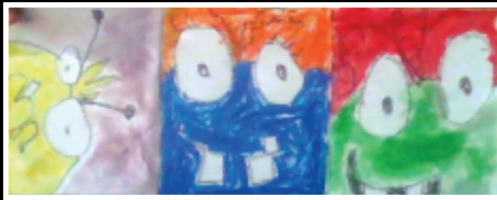
Ms. Jodi Sourini, President

Mr. James Posch, Vice President

Mr. Dan Heintz, Member

Ms. Malia Lewis, Member

Ms. Beverly Wright, Member



Eyam Donou-Adonsou
Gr 1 Gearity Elementary



Eyam Donou-Adonsou
Gr 1 Gearity Elementary

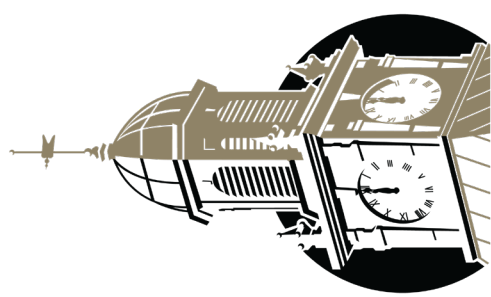
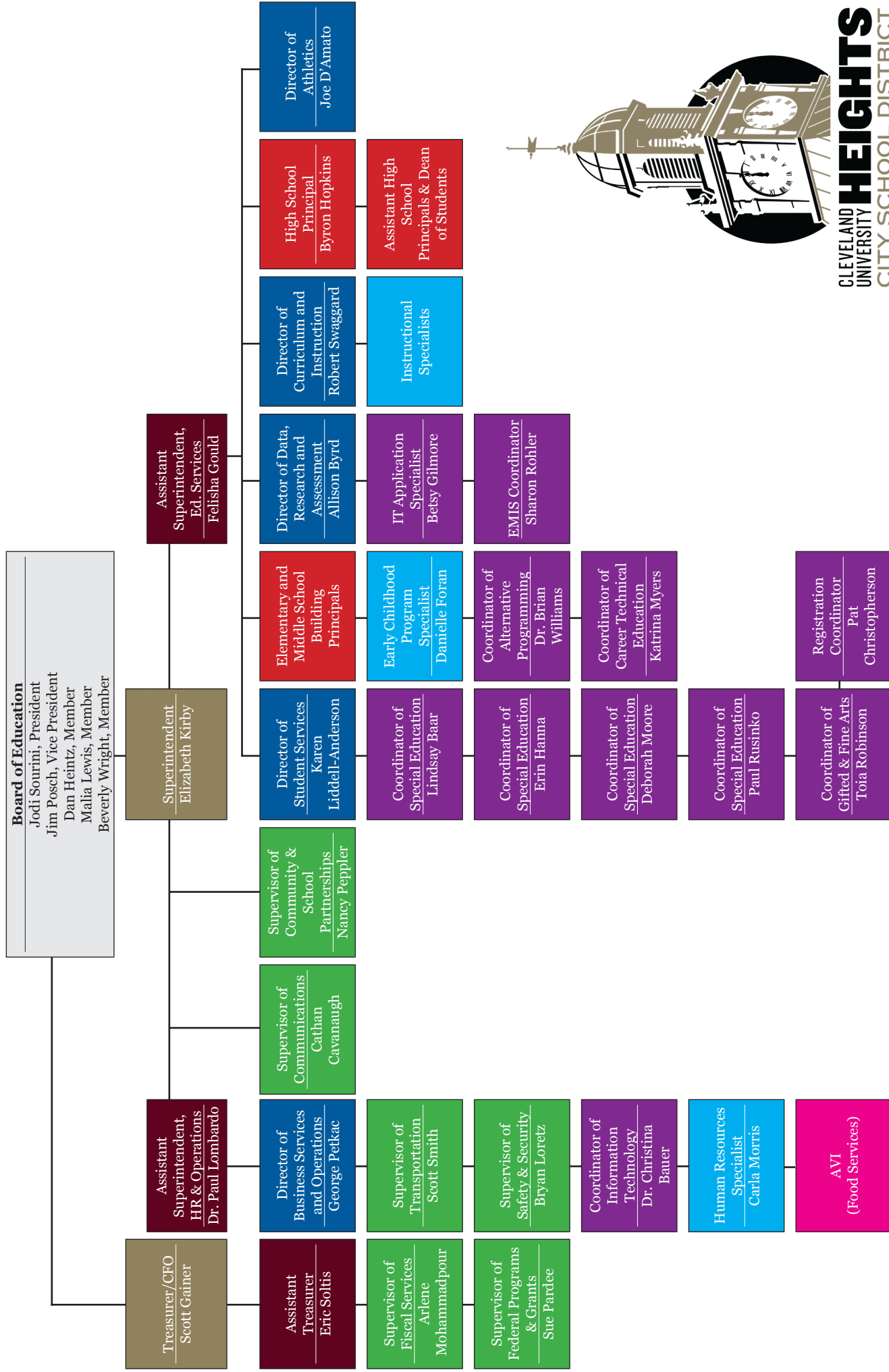
CLEVELAND UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



Cleveland Heights-University Heights City School District

Central Office Organizational Chart • 2019-2020



FINANCIAL SECTION



Elva Ni
Gr 4 Canterbury Elementary

CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Cleveland Heights-University Heights City School District
Cuyahoga County
2155 Miramar Boulevard
University Heights, Ohio 44118

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Cleveland Heights-University Heights City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Efficient • Effective • Transparent

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated January 29, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

January 29, 2021



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2020

Our discussion and analysis of the Cleveland Heights-University Heights City School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net position decreased \$19,451,735. Net position of governmental activities decreased \$20,391,786 from 2019. Net position of business-type activities increased \$940,051 from 2019.
- For governmental activities, general revenues accounted for \$110,862,355, or 88% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$14,428,073 of total revenues of \$125,290,428.
- The District had \$145,681,632 in expenses related to governmental activities; only \$14,428,073 of these expenses was offset by program specific charges for services and grants. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$110,862,355 which were unable to provide for these programs resulting in a decrease of net position from \$(38,691,950) to \$(59,083,736).
- Governmental activities expenses increased approximately 21% from the prior year due to GASB 68 and GASB 75. Instructional expenses made up 57% of total governmental activities expenses while support services account for 35%. Other expenses rounded out the remaining 8%.
- The District had \$2,368,995 in expenses related to business-type activities; a total of \$3,308,464 was offset by program specific charges for services and grants, which were able to provide for these programs, resulting in an increase of net position from \$(1,695,019) to \$(754,968).
- The District's major governmental fund is the General Fund. The General Fund had \$106,710,028 in revenues and other financing sources and \$118,596,125 in expenditures and other financing uses. The General Fund balance decreased \$11,886,097, from \$23,147,745 to \$11,261,648.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the General Fund is by far the most significant fund and is reported as a major fund.

Reporting the School District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in it. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors. In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 13. The governmental fund financial statements begin on page 24 and provide detailed information about the major governmental funds and nonmajor governmental funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements. The District's major governmental fund is the General Fund.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the government-wide statements; therefore, the statements will essentially match the business-type activities portion of the government-wide statements.

Fiduciary Funds

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The District's fiduciary activities are reported in a separate statement on page 36. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2020 and 2019.

Net Position

	Governmental Activities <u>2020</u>	Business-Type Activities <u>2020</u>	Governmental Activities <u>2019</u>	Business-Type Activities <u>2019</u>
Assets:				
Current and other assets	\$ 138,893,547	\$ 655,475	\$ 160,823,745	\$ (131,952)
Capital assets, net	<u>179,699,321</u>	<u>292,461</u>	<u>179,654,901</u>	<u>303,786</u>
Total assets	<u>318,592,868</u>	<u>947,936</u>	<u>340,478,646</u>	<u>171,834</u>
Deferred outflows of resources:				
Loss on refunding	8,052,994	-	8,308,645	-
Pension	21,480,533	69,695	30,630,498	136,191
OPEB	<u>2,241,429</u>	<u>29,021</u>	<u>1,231,830</u>	<u>17,233</u>
Total deferred outflows of resources	<u>31,774,956</u>	<u>98,716</u>	<u>40,170,973</u>	<u>153,424</u>
Liabilities:				
Current liabilities	15,728,366	414,201	17,092,626	417,601
Long-term liabilities:				
Due within one year	4,356,298	8,901	7,593,091	8,951
Due in more than one year	170,798,914	15,522	173,697,062	23,773
Net pension liability	114,886,046	657,238	111,877,881	842,559
Net OPEB liability	<u>10,802,454</u>	<u>276,986</u>	<u>11,463,716</u>	<u>415,783</u>
Total liabilities	<u>316,572,078</u>	<u>1,372,848</u>	<u>321,724,376</u>	<u>1,708,667</u>
Deferred inflows of resources:				
Property taxes	68,561,285	-	66,252,967	-
Payments in lieu of taxes	84,436	-	373,879	-
Pension	11,500,905	183,685	17,657,159	179,527
OPEB	<u>12,732,856</u>	<u>245,087</u>	<u>13,333,188</u>	<u>132,083</u>
Total deferred inflows of resources	<u>92,879,482</u>	<u>428,772</u>	<u>97,617,193</u>	<u>311,610</u>
Net position:				
Net investment in capital assets	26,948,908	292,461	24,910,830	146,412
Restricted	11,176,591	-	16,344,070	-
Unrestricted (deficit)	<u>(97,209,235)</u>	<u>(1,047,429)</u>	<u>(79,946,850)</u>	<u>(1,841,431)</u>
Total net position (deficit)	<u>\$ (59,083,736)</u>	<u>\$ (754,968)</u>	<u>\$ (38,691,950)</u>	<u>\$ (1,695,019)</u>

The District follows Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27* and GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to pensions and other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the District's liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$59,838,704. During fiscal year 2020, the District's net position decreased \$19,451,735. The main reason for the deficit net position is a result of the District recording the activity related to GASB 68 and GASB 75. As of June 30, 2020, there is no expectation that the District will be required to increase pension or OPEB funding to cover the net pension or OPEB liabilities.

Total assets decreased by \$21,109,676 primary due to decreases in cash and cash equivalents due to debt payments and permanent improvement and building repairs and maintenance.

Net investment in capital assets for governmental activities reported on the government-wide statements was \$26,948,908 for fiscal year 2020. Capital assets include land, construction in progress, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's governmental activities net position, \$11,176,591, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted governmental activities net position, \$10,414,429 is restricted for capital projects, and \$762,162 is restricted for other purposes. The remaining balance of governmental activities net position \$(97,209,235) is an unrestricted amount available to meet the District's ongoing obligations to students and staff. The negative net position is the result of the net pension/OPEB liability recorded in the current year.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

	Changes in Net Position			
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
Revenues:				
Program revenues:				
Charges for services	\$ 4,333,363	\$ 138,733	\$ 3,044,674	\$ 214,851
Operating grants	<u>10,094,710</u>	<u>3,169,731</u>	<u>8,874,454</u>	<u>2,756,187</u>
Total program revenues	<u>14,428,073</u>	<u>3,308,464</u>	<u>11,919,128</u>	<u>2,971,038</u>
General revenues:				
Property taxes	75,761,827	-	81,225,327	-
Grants and entitlements	30,894,244	-	32,324,850	-
Investment earnings	1,109,356	-	1,949,799	-
Miscellaneous	<u>3,096,928</u>	<u>-</u>	<u>2,975,096</u>	<u>-</u>
Total general revenues	<u>110,862,355</u>	<u>-</u>	<u>118,475,072</u>	<u>-</u>
Total revenues	<u>125,290,428</u>	<u>3,308,464</u>	<u>130,394,200</u>	<u>2,971,038</u>
Program expenses:				
Instruction:				
Regular	42,912,160	-	33,772,850	-
Special	33,261,198	-	21,612,647	-
Vocational	2,106,297	-	1,785,442	-
Other	4,747,157	-	8,628,069	-
Support services:				
Pupil	8,343,753	-	6,515,947	-
Instructional staff	5,501,084	-	4,135,898	-
Board of education	820,893	-	674,582	-
Administration	6,996,024	-	6,036,398	-
Fiscal	3,176,914	-	3,081,101	-
Business	1,125,107	-	858,780	-
Operation and maintenance of plant	16,718,490	-	14,284,656	-
Pupil transportation	4,026,440	-	3,978,709	-
Central	3,901,982	-	3,701,731	-
Food service operations	5,611	-	5,623	-
Community services	3,055,369	-	3,689,807	-
Other non-instructional services	-	-	206	-
Extracurricular activities	1,673,243	-	1,461,395	-
Interest and fiscal charges	7,309,910	-	6,644,931	-
Food services	-	2,360,152	-	2,602,197
Uniform school supplies	-	4,475	-	3,854
Customer services	<u>-</u>	<u>4,368</u>	<u>-</u>	<u>8,374</u>
Total program expenses	<u>145,681,632</u>	<u>2,368,995</u>	<u>120,868,772</u>	<u>2,614,425</u>
Change in net position before transfers	(20,391,204)	939,469	9,525,428	356,613
Transfers	<u>(582)</u>	<u>582</u>	<u>(330)</u>	<u>330</u>
Change in net position	(20,391,786)	940,051	9,525,098	356,943
Net position at beginning of year	<u>(38,691,950)</u>	<u>(1,695,019)</u>	<u>(48,217,048)</u>	<u>(2,051,962)</u>
Net position at end of year	\$ <u>(59,083,736)</u>	\$ <u>(754,968)</u>	\$ <u>(38,691,950)</u>	\$ <u>(1,695,019)</u>

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

Effects of GASB 68

Under GASB 68, pension expense represents additional amounts earned based on a proportionate share of the net pension liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 68, the pension expense for 2020 is \$14,825,837, while in 2019 pension expense was \$7,485,765. The District was required to contribute \$8,938,628 and \$8,764,848 during 2020 and 2019, respectively.

Effects of GASB 75

Under GASB 75, OPEB expense represents additional amounts earned based on a proportionate share of the net OPEB liability adjusted by a corresponding proportionate share of deferred outflows and inflows. Under GASB 75, the OPEB expense for 2020 is \$(2,352,445), while in 2019 OPEB expense was \$(14,324,203). The District was required to contribute \$162,419 and \$298,453 during 2020 and 2019, respectively.

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value was increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become 0.5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 60% of total governmental activities revenues for the District in fiscal year 2020.

Instruction and support services comprise 92% of governmental program expenses. The operation of non-instructional services and interest expense make up the remaining 8% of governmental program expenses. Interest expense was attributable to the outstanding bonds and other borrowings for capital projects. Overall, governmental program expenses increased approximately \$24.8 million which was mainly due to an increase in pension (\$7.3 million) and an increase in OPEB (\$12.0 million) expenses. Regular and special education costs were the most affected as these costs increased \$20.8 million in fiscal year 2020.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2020 and 2019. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

Governmental Activities

	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
Program expenses:				
Instruction	\$ 83,026,812	\$ 72,358,332	\$ 65,799,008	\$ 56,711,592
Pupil and instructional staff	13,844,837	13,039,109	10,651,845	10,633,845
Board of education, administration, fiscal and business	12,118,938	11,997,782	10,650,861	10,511,457
Operation and maintenance - plant	16,718,490	16,718,490	14,284,656	14,284,656
Pupil transportation	4,026,440	3,966,906	3,978,709	3,936,441
Central services	3,901,982	3,901,982	3,701,731	3,701,731
Food service operations	5,611	5,611	5,623	5,623
Community services	3,055,369	359,604	3,689,807	1,167,854
Other non-instructional services	-	-	206	206
Extracurricular activities	1,673,243	1,595,833	1,461,395	1,351,308
Interest and fiscal charges	<u>7,309,910</u>	<u>7,309,910</u>	<u>6,644,931</u>	<u>6,644,931</u>
Total program expenses	\$ <u>145,681,632</u>	\$ <u>131,253,559</u>	\$ <u>120,868,772</u>	\$ <u>108,949,644</u>

The dependence upon tax revenues during fiscal year 2020 for governmental activities is apparent.

Business-Type Activities

Business-type activities include food service operation, uniform school supplies, and customer services. These programs had revenues and other sources of \$3,309,046 and expenses of \$2,368,995 for fiscal year 2020. This resulted in an increase to net position for the fiscal year of \$940,051.

The School District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, the District's governmental funds reported combined ending fund balances of \$24,061,270, a decrease of \$23,730,953 in comparison with the prior year. Of this total amount, \$(468,738), constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is not available for new spending because it is restricted by external parties, \$13,268,360; has already been assigned, \$10,677,597; or is in a nonspendable form, \$584,051.

The General Fund is the chief operating fund of the District. The District's General Fund balance decreased by \$11,886,097 in fiscal year 2020 due to a decrease in tax and intergovernmental revenues of \$7.4 million.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

<u>Revenues</u>	2020 <u>Amount</u>	2019 <u>Amount</u>	Percentage <u>Change</u>
Taxes	\$ 68,003,667	\$ 73,516,536	(7)%
Interest earnings	887,131	1,220,197	(27)%
Intergovernmental	30,524,069	32,394,514	(6)%
Other revenue and financing sources	<u>7,295,161</u>	<u>4,816,491</u>	51%
Total	\$ <u>106,710,028</u>	\$ <u>111,947,738</u>	

The table that follows assists in illustrating the expenses of the General Fund.

<u>Expenditures by Function</u>	2020 <u>Amount</u>	2019 <u>Amount</u>	Percentage <u>Change</u>
Instruction	\$ 76,640,481	\$ 73,071,552	5%
Support services	40,351,989	41,777,941	(3)%
Food service operations	272	284	(4)%
Other non-instructional services	30,418	34,817	(13)%
Extracurricular activities	1,170,753	1,211,897	(3)%
Debt service	111,035	118,271	(6)%
Transfers - out	<u>291,177</u>	<u>243,322</u>	20%
Total	\$ <u>118,596,125</u>	\$ <u>116,458,084</u>	

Overall, expenses in the General Fund are up 2% from 2019. The main factors resulting in this fluctuation is an increase in instruction services during 2020.

The fund balance of the other governmental funds decreased \$11,844,856 to \$12,799,622 during the year ended June 30, 2020. The largest expense is for debt service related to payments on the debt taken out to fund the master facilities project.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the District's business-type activities.

General Fund Budget Information

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2020, the District amended its budget to reflect the fluctuations of actual revenues received/collected. The District uses a modified site-based budgeting technique which is designed to tightly control site budgets but provide flexibility for site management.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

For the Fiscal Year Ended June 30, 2020

The District's General Fund budget was prepared and approved at the fund level for fiscal year 2020. During the course of fiscal year 2020, the total budget was changed multiple times. For the General Fund, final budgeted revenues and other financing sources were \$110,497,690, or \$2,075,475 lower than the original budget. Actual revenues and other financing sources for fiscal year 2020 were \$116,929,784. Actual differed from the final budget mainly due to higher than anticipated collection of taxes and intergovernmental revenue. General Fund original appropriations and other financing uses were \$124,576,349. There was no change to the final budget, which remained at \$124,576,349. The actual expenditures and other financing uses for fiscal year 2020 totaled \$119,785,553, which was \$4,790,796 less than the final budget appropriations. Actual differed from final budget due to lower than anticipated costs associated with regular instruction.

Capital Assets

The District had \$179,991,782 invested in capital assets net of depreciation, with \$179,699,321 attributed to government activities. Net acquisition for governmental activities totaled \$5,206,964 and depreciation was \$5,162,544. The majority of the additions were for construction in progress related to building renovations and improvements. Detailed information regarding capital asset activities is included in the notes to the basic financial statements (Note 9).

Debt

At June 30, 2020, the District has \$148,938,673 in outstanding long-term bond debt and of this amount \$1,388,259 is due within one year. The District paid \$6,329,207 in principal on bonds outstanding. The District also has \$18,030,987 of certificates of participation outstanding at June 30, 2020 and of this amount \$480,000 is due within one year. The District has capital leases of \$176,079 outstanding at June 30, 2020, with \$92,131 due within one year. Detailed information regarding long-term debt activity and capital lease obligations activity is included in the notes to the basic financial statements (Notes 14 and 15, respectively).

Economic Factors

The Board of Education and the administration closely monitor District revenues and expenditures in accordance with its financial forecast. The financial future of the District is not without its challenges. These challenges stem from issues that are local and at the state level. At the local level, the taxpayers must approve additional levies to pay for unfunded mandates as well as continue the programs residents have come to expect as normal operations. At the state level, funding reductions due to the current pandemic and continued expansion of voucher deductions negatively impact operations and require additional budget cuts in the organization to compensate for these losses.

The District is dependent on local taxpayers. The District passed a 6.9 mill operating levy in 2011, a 5.5 mill operating levy in 2016, and a 4.8 mill operating levy in 2020. The Board of Education and administration of the District continue to exercise careful financial planning and prudent fiscal management in order to preserve the financial stability of the District, including closing an elementary school at the end of fiscal year 2007 as well as closing a middle school at the end of fiscal year 2013. The District continues to streamline operations and annually identifies potential budget reductions and opportunities to operate efficiently and effectively.

Cleveland Heights-University Heights City School District

Management's Discussion & Analysis (Unaudited) (continued)

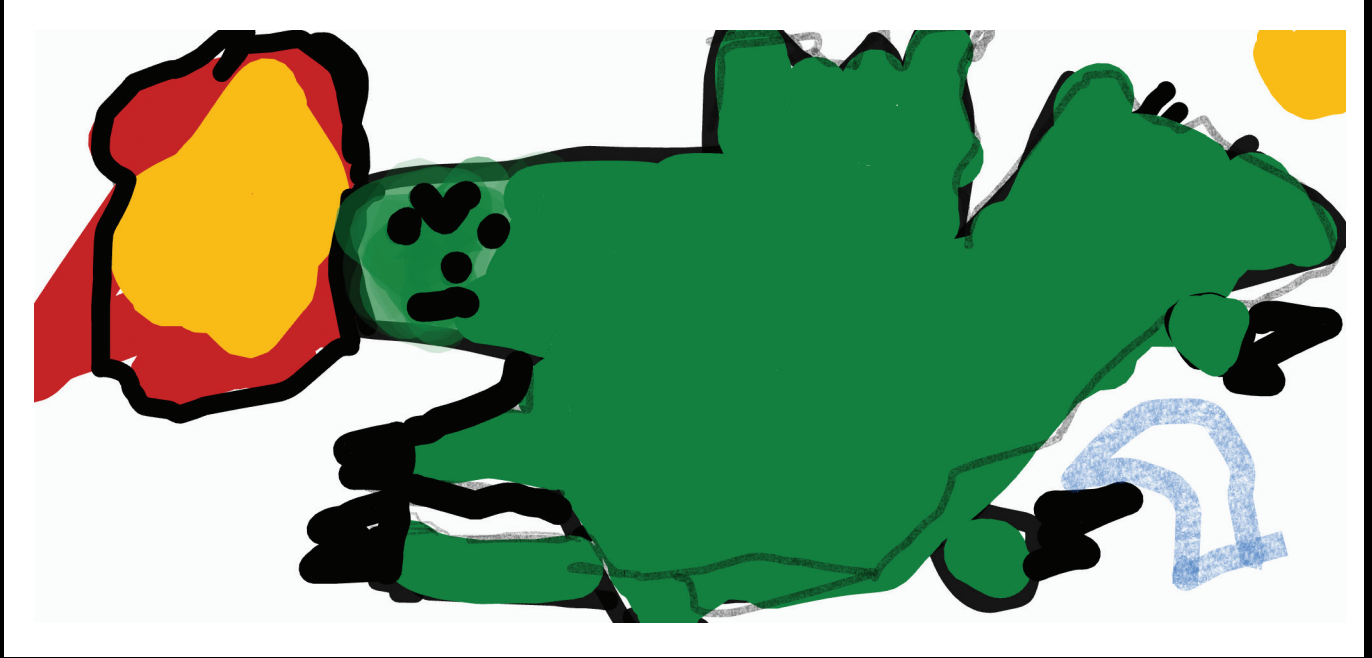
For the Fiscal Year Ended June 30, 2020

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. A. Scott Gainer, Chief Financial Officer, Cleveland Heights - University Heights City School District by calling (216) 371-7171.

CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

University Heights, Ohio



Keondre Chisolm

Gr 5 Gearity Elementary



CLEVELAND UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio

BASIC FINANCIAL STATEMENTS



Cecelia Leach
Gr 3 Canterbury Elementary

CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



Cleveland Heights-University Heights City School District

Statement of Net Position

June 30, 2020

	Primary Government		Total*
	Governmental Activities	Business-Type Activities	
Assets:			
Equity in pooled cash and investments	\$ 36,975,423	\$ 350,625	\$ 37,326,048
Accounts receivable	72,813	-	72,813
Prepaid items	191,268	906	192,174
Intergovernmental receivable	2,778,643	270,340	3,048,983
Materials and supplies inventory	392,783	11,274	404,057
Inventory held for resale	-	22,330	22,330
Taxes receivable	91,798,030	-	91,798,030
Net OPEB asset	6,684,587	-	6,684,587
Nondepreciable capital assets	37,067,555	256,285	37,323,840
Depreciable capital assets, net	142,631,766	36,176	142,667,942
Total assets	318,592,868	947,936	319,540,804
Deferred outflows of resources:			
Deferred loss on refunding	8,052,994	-	8,052,994
Pension	21,480,533	69,695	21,428,640
OPEB	2,241,429	29,021	2,168,927
Total deferred outflows of resources	31,774,956	98,716	31,650,561
Liabilities:			
Accounts payable	3,963,175	407,751	4,370,926
Accrued wages and benefits	7,608,970	4,956	7,613,926
Matured compensated absences	344,770	-	344,770
Intergovernmental payable	1,477,359	1,494	1,478,853
Accrued interest payable	611,492	-	611,492
Claims payable	1,722,600	-	1,722,600
Long-term liabilities:			
Due within one year	4,356,298	8,901	4,365,199
Due in more than one year:			
Net pension liability	114,886,046	657,238	115,543,284
Net OPEB liability	10,802,454	276,986	11,079,440
Other amounts due in more than one year	170,798,914	15,522	170,814,436
Total liabilities	316,572,078	1,372,848	317,944,926

Continued

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Net Position (continued)

June 30, 2020

	Primary Government		Total*
	Governmental Activities	Business-Type Activities	
Deferred inflows of resources:			
Property taxes	68,561,285	-	68,561,285
Payments in lieu of taxes	84,436	-	84,436
Pension	11,500,905	183,685	11,563,002
OPEB	12,732,856	245,087	12,876,420
Total deferred inflows of resources	<u>92,879,482</u>	<u>428,772</u>	<u>93,085,143</u>
Net position:			
Net investment in capital assets	26,948,908	292,461	27,241,369
Restricted for:			
Capital projects	10,414,429	-	10,414,429
State programs	355,849	-	355,849
Federal programs	165,350	-	165,350
Other	240,963	-	240,963
Unrestricted (deficit)	<u>(97,209,235)</u>	<u>(1,047,429)</u>	<u>(98,256,664)</u>
Total net position (deficit)	<u>\$ (59,083,736)</u>	<u>\$ (754,968)</u>	<u>\$ (59,838,704)</u>

*After deferred outflows and inflows of resources related to the change in internal proportionate share of pension and OPEB related items have been eliminated.

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2020

	Program Revenues		
	Charges for Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular	\$ 42,912,160	\$ 1,657,173	\$ 2,513,329
Special	33,261,198	2,411,643	3,851,008
Vocational	2,106,297	6,447	228,880
Other	4,747,157	-	-
Support services:			
Pupil	8,343,753	-	797,501
Instructional staff	5,501,084	-	8,227
Board of education	820,893	-	-
Administration	6,996,024	121,156	-
Fiscal	3,176,914	-	-
Business	1,125,107	-	-
Operations and maintenance of plant	16,718,490	-	-
Pupil transportation	4,026,440	59,534	-
Central	3,901,982	-	-
Operation of non-instructional services:			
Food service operations	5,611	-	-
Community services	3,055,369	-	2,695,765
Extracurricular activities	1,673,243	77,410	-
Interest and fiscal charges	7,309,910	-	-
Total governmental activities	<u>145,681,632</u>	<u>4,333,363</u>	<u>10,094,710</u>
Business-type activities:			
Food services	2,360,152	128,759	3,169,731
Uniform school supplies	4,475	6,063	-
Customer services	4,368	3,911	-
Total business-type activities	<u>2,368,995</u>	<u>138,733</u>	<u>3,169,731</u>
Totals	<u>\$ 148,050,627</u>	<u>\$ 4,472,096</u>	<u>\$ 13,264,441</u>
General revenues:			
Property taxes levied for:			
General purposes			
Debt service			
Capital projects			
Grant and entitlements not restricted to specific programs			
Investment earnings			
Miscellaneous			
Total general revenues			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position (deficit) at beginning of year			
Net position (deficit) at end of year			

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenues and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (38,741,658)	\$ -	\$ (38,741,658)
(26,998,547)	-	(26,998,547)
(1,870,970)	-	(1,870,970)
(4,747,157)	-	(4,747,157)
(7,546,252)	-	(7,546,252)
(5,492,857)	-	(5,492,857)
(820,893)	-	(820,893)
(6,874,868)	-	(6,874,868)
(3,176,914)	-	(3,176,914)
(1,125,107)	-	(1,125,107)
(16,718,490)	-	(16,718,490)
(3,966,906)	-	(3,966,906)
(3,901,982)	-	(3,901,982)
(5,611)	-	(5,611)
(359,604)	-	(359,604)
(1,595,833)	-	(1,595,833)
(7,309,910)	-	(7,309,910)
<u>(131,253,559)</u>	<u>-</u>	<u>(131,253,559)</u>
-	938,338	938,338
-	1,588	1,588
-	(457)	(457)
<u>-</u>	<u>939,469</u>	<u>939,469</u>
<u>(131,253,559)</u>	<u>939,469</u>	<u>(130,314,090)</u>
68,062,834	-	68,062,834
4,820,138	-	4,820,138
2,878,855	-	2,878,855
30,894,244	-	30,894,244
1,109,356	-	1,109,356
3,096,928	-	3,096,928
<u>110,862,355</u>	<u>-</u>	<u>110,862,355</u>
(582)	582	-
<u>110,861,773</u>	<u>582</u>	<u>110,862,355</u>
(20,391,786)	940,051	(19,451,735)
(38,691,950)	(1,695,019)	(40,386,969)
<u>\$ (59,083,736)</u>	<u>\$ (754,968)</u>	<u>\$ (59,838,704)</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Balance Sheet – Governmental Funds

June 30, 2020

	General	Non-major Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 15,883,026	\$ 13,892,085	\$ 29,775,111
Accounts receivable	72,813	-	72,813
Intergovernmental receivable	1,684,350	1,094,293	2,778,643
Interfund receivable	324,958	-	324,958
Materials and supplies inventory	392,783	-	392,783
Prepaid items	191,268	-	191,268
Taxes receivable	82,504,910	9,293,120	91,798,030
Total assets	<u>\$ 101,054,108</u>	<u>\$ 24,279,498</u>	<u>\$ 125,333,606</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable	\$ 2,545,483	\$ 1,417,692	\$ 3,963,175
Accrued wages and benefits	7,317,948	291,022	7,608,970
Interfund payable	-	324,958	324,958
Matured compensated absences	336,574	8,196	344,770
Intergovernmental payable	1,415,453	61,906	1,477,359
Total liabilities	<u>11,615,458</u>	<u>2,103,774</u>	<u>13,719,232</u>
Deferred inflows of resources:			
Property taxes	61,600,996	6,960,289	68,561,285
Payments in lieu of taxes	84,436	-	84,436
Unavailable revenue	16,491,570	2,415,813	18,907,383
Total deferred inflows of resources	<u>78,177,002</u>	<u>9,376,102</u>	<u>87,553,104</u>
Fund balances:			
Nonspendable	584,051	-	584,051
Restricted	-	13,268,360	13,268,360
Assigned	10,677,597	-	10,677,597
Unassigned (deficit)	-	(468,738)	(468,738)
Total fund balances	<u>11,261,648</u>	<u>12,799,622</u>	<u>24,061,270</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 101,054,108</u>	<u>\$ 24,279,498</u>	<u>\$ 125,333,606</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

June 30, 2020

Total governmental funds balances	\$	24,061,270	
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			179,699,321
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.			
Property and other taxes	\$	16,619,099	
Investment earnings		19,443	
Tuition		1,470,467	
Grants		798,374	
Total		<u>18,907,383</u>	18,907,383
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.			5,477,712
In the government-wide financial statements, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.			(611,492)
The net pension liability and net OPEB liability/asset are not due in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:			
Net OPEB asset		6,684,587	
Deferred outflows – pension		21,480,533	
Deferred inflows – pension		(11,500,905)	
Net pension liability		(114,886,046)	
Deferred outflows – OPEB		2,241,429	
Deferred inflows – OPEB		(12,732,856)	
Net OPEB liability		<u>(10,802,454)</u>	
Total			(119,515,712)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.			
Library improvement refunding bonds		(3,625,000)	
Certificates of participation		(18,055,000)	
General obligation school improvement bonds		(133,160,708)	
Accretion of CABs		(2,223,522)	
Deferred charge on refunding		8,052,994	
Unamortized charges – premium		(9,929,443)	
Unamortized charges – discount		24,013	
Capital leases		(176,079)	
Early retirement incentive		(96,000)	
Compensated absences		<u>(7,913,473)</u>	
Total			<u>(167,102,218)</u>
Net position of governmental activities	\$		<u><u>(59,083,736)</u></u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Fiscal Year Ended June 30, 2020

	General	Non-major Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 68,003,667	\$ 7,772,413	\$ 75,776,080
Intergovernmental	30,524,069	10,207,395	40,731,464
Grants	-	199,282	199,282
Tuition and fees	4,156,509	-	4,156,509
Earnings on investments	887,131	261,988	1,149,119
Extracurricular activities	60,065	132,628	192,693
Classroom materials and fees	4,016	-	4,016
Miscellaneous	2,993,911	71,582	3,065,493
Total revenues	<u>106,629,368</u>	<u>18,645,288</u>	<u>125,274,656</u>
Expenditures:			
Current:			
Instruction:			
Regular	39,401,355	2,013,227	41,414,582
Special	30,645,614	2,093,131	32,738,745
Vocational	1,863,042	155,397	2,018,439
Other	4,730,470	4,447	4,734,917
Support services:			
Pupil	6,949,439	1,234,058	8,183,497
Instructional staff	4,540,530	678,236	5,218,766
Board of education	811,740	-	811,740
Administration	6,177,758	590,102	6,767,860
Fiscal	2,869,890	197,134	3,067,024
Business	973,054	11,175	984,229
Operations and maintenance of plant	10,511,496	2,032,183	12,543,679
Pupil transportation	3,829,738	28,566	3,858,304
Central	3,688,344	75,215	3,763,559
Operation of non-instructional services:			
Food service operations	272	-	272
Community services	30,418	3,014,139	3,044,557
Extracurricular activities	1,170,753	432,630	1,603,383
Facilities acquisition and construction services	-	4,485,192	4,485,192
Debt service:			
Principal	102,341	6,799,207	6,901,548
Interest and fiscal charges	8,694	6,923,675	6,932,369
Total expenditures	<u>118,304,948</u>	<u>30,767,714</u>	<u>149,072,662</u>
Excess of revenues over (under) expenditures	<u>(11,675,580)</u>	<u>(12,122,426)</u>	<u>(23,798,006)</u>

Continued

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (continued)

For the Fiscal Year Ended June 30, 2020

	General	Non-major Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Other financing sources (uses):			
Transfers – in	13,025	290,595	303,620
Transfers – out	(291,177)	(13,025)	(304,202)
Proceeds from inception of capital lease	67,635	-	67,635
Total other financing sources (uses)	<u>(210,517)</u>	<u>277,570</u>	<u>67,053</u>
Net change in fund balance	(11,886,097)	(11,844,856)	(23,730,953)
Fund balance at beginning of year	<u>23,147,745</u>	<u>24,644,478</u>	<u>47,792,223</u>
Fund balance at end of year	<u>\$ 11,261,648</u>	<u>\$ 12,799,622</u>	<u>\$ 24,061,270</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2020

Net change in fund balances – total governmental funds \$ (23,730,953)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and deprecation differed in the current period.

Capital outlay	\$ 5,206,964	
Depreciation	<u>(5,162,544)</u>	
Total		44,420

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property and other taxes	(14,253)	
Investment earnings	(39,763)	
Tuition	(88,312)	
Intergovernmental	<u>158,100</u>	
Total		15,772

Other financing sources in the governmental funds that increase long-term liabilities in the Statement of Net Position.

Capital lease		(67,635)
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Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 6,901,548

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities. 921,551

Continued

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (continued)

For the Fiscal Year Ended June 30, 2020

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	(610,355)	
Early retirement incentive	36,000	
Amortization of premium and discount	324,617	
Amortization of deferred loss on refunding	(255,651)	
Accretion on capital appreciation bonds	(449,234)	
Interest expense	<u>2,727</u>	
Total		(951,896)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	8,885,599	
OPEB	<u>158,359</u>	
Total		9,043,958

Except for amounts reported as deferred outflows/inflows, changes in net pension/OPEB liability are reported as pension/OPEB expense in the Statement of Activities.

Pension	(14,887,475)	
OPEB	<u>2,318,924</u>	
Total		<u>(12,568,551)</u>

Change in net position of governmental activities \$ (20,391,786)

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual – General Fund

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 74,407,546	\$ 72,560,586	\$ 76,052,165	\$ 3,491,579
Intergovernmental	28,534,847	28,363,637	30,622,761	2,259,124
Tuition and fees	3,900,537	3,877,133	4,185,941	308,808
Earnings on investments	735,465	731,052	789,279	58,227
Miscellaneous	2,648,330	2,632,441	2,842,111	209,670
Total revenues	<u>110,226,725</u>	<u>108,164,849</u>	<u>114,492,257</u>	<u>6,327,408</u>
Expenditures:				
Current:				
Instruction:				
Regular	41,897,581	41,897,581	39,606,372	2,291,209
Special	29,479,871	29,479,871	30,378,848	(898,977)
Vocational	2,516,500	2,516,500	1,904,251	612,249
Other	4,536,100	4,536,100	4,906,970	(370,870)
Support services:				
Pupil	8,112,113	8,112,113	6,941,569	1,170,544
Instructional staff	3,855,374	3,855,374	4,581,027	(725,653)
Board of education	898,469	898,469	1,027,962	(129,493)
Administration	6,922,882	6,922,882	6,157,467	765,415
Fiscal	3,177,700	3,177,700	2,894,560	283,140
Business	919,073	919,073	937,378	(18,305)
Operation and maintenance of plant	10,765,278	10,765,278	10,942,263	(176,985)
Pupil transportation	4,121,277	4,121,277	4,009,880	111,397
Central	3,942,641	3,942,641	3,901,066	41,575
Operation of non-instructional services:				
Community services	33,500	33,500	30,575	2,925
Extracurricular activities:				
Academic and subject oriented	246,700	246,700	233,900	12,800
Occupational oriented	3,400	3,400	5,602	(2,202)
Sports oriented	753,840	753,840	824,026	(70,186)
Co-curricular activities	89,050	89,050	96,666	(7,616)
Total expenditures	<u>122,271,349</u>	<u>122,271,349</u>	<u>119,380,382</u>	<u>2,890,967</u>
Excess of revenues (under) over expenditures	<u>(12,044,624)</u>	<u>(14,106,500)</u>	<u>(4,888,125)</u>	<u>9,218,375</u>

Continued

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (continued)

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources (uses):				
Proceeds from sale of assets	374	371	401	30
Transfers – in	98,241	98,132	24,826	(73,306)
Transfers – out	(275,000)	(275,000)	(296,426)	(21,426)
Advances – in	2,247,825	2,234,338	2,412,300	177,962
Advances – out	(2,030,000)	(2,030,000)	(108,745)	1,921,255
Total other financing sources (uses)	<u>41,440</u>	<u>27,841</u>	<u>2,032,356</u>	<u>2,004,515</u>
Net change in fund balance	(12,003,184)	(14,078,659)	(2,855,769)	11,222,890
Fund balance at beginning of year	12,973,399	12,973,399	12,973,399	-
Prior year encumbrances appropriated	<u>3,396,348</u>	<u>3,396,348</u>	<u>3,396,348</u>	-
Fund balance at end of year	<u>\$ 4,366,563</u>	<u>\$ 2,291,088</u>	<u>\$ 13,513,978</u>	<u>\$ 11,222,890</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Fund Net Position Proprietary Funds

June 30, 2020

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Services Funds</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 350,625	\$ 7,200,312
Prepaid items	906	-
Intergovernmental receivable	270,340	-
Materials and supplies inventory	33,604	-
Total current assets	<u>655,475</u>	<u>7,200,312</u>
Non-current assets:		
Nondepreciable capital assets	256,285	-
Depreciable capital assets, net	36,176	-
Total non-current assets	<u>292,461</u>	<u>-</u>
Total assets	<u>947,936</u>	<u>7,200,312</u>
Deferred outflows of resources:		
Pension – SERS	69,695	-
OPEB – SERS	29,021	-
Total deferred outflows of resources	<u>98,716</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable	407,751	-
Accrued wages and benefits	4,956	-
Intergovernmental payable	1,494	-
Claims payable	-	1,722,600
Current portion of accrued compensated absences	8,901	-
Total current liabilities	<u>423,102</u>	<u>1,722,600</u>
Non-current liabilities:		
Net pension liability	657,238	-
Net OPEB liability	276,986	-
Accrued compensated absences	15,522	-
Total non-current liabilities	<u>949,746</u>	<u>-</u>
Total liabilities	<u>1,372,848</u>	<u>1,722,600</u>
Deferred inflows of resources:		
Pension – SERS	183,685	-
OPEB – SERS	245,087	-
Total deferred inflows of resources	<u>428,772</u>	<u>-</u>
Net position:		
Net investment in capital assets	292,461	-
Unrestricted (deficit)	(1,047,429)	5,477,712
Total net position (deficit)	<u>\$ (754,968)</u>	<u>\$ 5,477,712</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds

For the Fiscal Year Ended June 30, 2020

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Services Funds</u>
Operating revenues:		
Charges for services	\$ -	\$ 20,239,311
Classroom materials and fees	6,063	-
Food services	127,443	-
Miscellaneous	5,227	-
Total operating revenues	<u>138,733</u>	<u>20,239,311</u>
Operating expenses:		
Salaries and wages	48,124	-
Fringe benefits	(98,169)	19,299,285
Purchased services	2,158,139	14,874
Supplies and materials	248,747	3,601
Depreciation	11,325	-
Other	829	-
Total operating expenses	<u>2,368,995</u>	<u>19,317,760</u>
Operating (loss) income	<u>(2,230,262)</u>	<u>921,551</u>
Non-operating revenues:		
Federal donated commodities	257,940	-
Intergovernmental grants	2,911,791	-
Total non-operating revenues	<u>3,169,731</u>	<u>-</u>
Change in net position before transfers	939,469	921,551
Transfers – in	<u>582</u>	<u>-</u>
Change in net position	940,051	921,551
Total (deficit) net position at beginning of year	<u>(1,695,019)</u>	<u>4,556,161</u>
Total (deficit) net position at end of year	<u>\$ (754,968)</u>	<u>\$ 5,477,712</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2020

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Services Funds</u>
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from customers	\$ 133,506	\$ 20,239,311
Cash received from other operating sources	5,227	-
Cash payments for materials and supplies	(6,683)	(3,601)
Cash payments for goods and services	(1,965,588)	(14,874)
Cash payments to employees for services	(76,952)	-
Cash payments for employee benefits	(71,660)	-
Cash payments for claims	-	(19,207,323)
Cash payments for other	(479)	-
Net cash (used) provided by operating activities	<u>(1,982,629)</u>	<u>1,013,513</u>
Cash flows from non-capital financing activities:		
Intergovernmental grants received	2,716,400	-
Transfers – in	582	-
Advances – out	(550,000)	-
Net cash provided by non-capital financing activities	<u>2,166,982</u>	<u>-</u>
Cash flows from capital financing activities:		
Acquisition of capital assets	<u>(157,374)</u>	<u>-</u>
Net increase in cash and cash equivalents	26,979	1,013,513
Cash and cash equivalents at beginning of year	<u>323,646</u>	<u>6,186,799</u>
Cash and cash equivalents at end of year	<u>\$ 350,625</u>	<u>\$ 7,200,312</u>
Non-cash capital and non-capital financing activities:		
Federal donated commodities	\$ 257,940	\$ -

Continued

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Cash Flows Proprietary Funds (continued)

For the Fiscal Year Ended June 30, 2020

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Services Funds</u>
Reconciliation of operating (loss) income to net cash (used) provided by operating activities:		
Operating (loss) income	\$ (2,230,262)	\$ 921,551
Adjustments:		
Depreciation	11,325	-
Federal donated commodities	257,940	-
Changes in assets/liabilities:		
Prepaid items	819	153,100
Materials and supplies inventories	(7,995)	-
Inventory held for resale	(7,881)	-
Deferred outflows – pension	71,536	-
Deferred outflows – OPEB	11,076	-
Accounts payable	192,901	-
Accrued wages and benefits	(28,828)	(9,638)
Intergovernmental payable	(10,099)	-
Accrued compensated absences	(8,301)	-
Claims payable	-	(51,500)
Net pension liability	(2,079)	-
Net OPEB liability	19,821	-
Deferred inflows – pension	(184,125)	-
Deferred inflows – OPEB	(68,477)	-
Total adjustments	<u>247,633</u>	<u>91,962</u>
Net cash (used) provided by operating activities	<u>\$ (1,982,629)</u>	<u>\$ 1,013,513</u>

The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Statement of Fiduciary Assets and Liabilities Agency Funds

June 30, 2020

Assets:

Equity in pooled cash and cash equivalents	\$ <u>94,314</u>
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Liabilities:

Due to students	\$ <u>94,314</u>
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The accompanying notes are an integral part of these financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies

A. Description of the School District and Reporting Entity

The Cleveland Heights-University Heights City School District (the “District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board of Education (the “Board”) controls the District’s thirteen instructional/support facilities staffed by 451 classified employees, 437 certificated full-time teaching personnel and approximately 45 administrators who provide services to 5,096 students and other community members.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities.

The following non-public schools operate within the District’s boundaries: Beaumont High School, Chaviva High School, GESU School, Hebrew Academy of Cleveland, Lutheran East High School, Monarch School, Yeshiva Derech Hatorah, Ruffing Montessori, Reserve School, and Communion of Saints School. Current State legislation provides funding to these non-public schools. These monies are received and disbursed by the District on behalf of the non-public schools by the Treasurer of the District, as directed by the non-public schools. The activity of these monies by the District is reflected in a special revenue fund for financial reporting purposes.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and:

1. The District is able to significantly influence the programs or services performed or provided by the organization; or
2. The District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The District is associated with two organizations which are defined as a jointly governed organization and a related organization. The Ohio Schools’ Council is a jointly governed organization and the Cleveland Heights-University Heights Library is a related organization. The jointly governed organization is presented in Note 16 and the related organization is presented in Note 20 to the basic financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

A. Description of the School District and Reporting Entity (continued)

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

B. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities and deferred inflows of resources is reported as fund balance. The following is the District's major governmental fund:

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds Proprietary funds focus on the determination of operating income/loss, changes in net position, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District does not have any major enterprise funds. The enterprise funds of the District account for food services, uniform school supplies, and customer services.

Internal Service Fund – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governmental units, on a cost-reimbursement basis. The internal service fund accounts for a self-insurance program that provides medical and dental benefits to employees.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District maintains two agency funds. The first fund accounts for resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities. The second fund accounts for activities related to high school tournaments held by the District for the Ohio High School Athletic Association.

C. Basis of Presentation

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. The internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses. The statements distinguish between governmental and business-type activities of the District.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented as a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

C. Basis of Presentation (continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds and fiduciary funds also use the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value to the resource provider in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, grants, investment earnings, and tuition.

Unearned Revenue Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned. The District does not have any unearned revenue at June 30, 2020.

Deferred Outflows/Inflows of Resources In addition to assets, the financial statements that report net position may include a section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported for deferred charges on refunding, pension and OPEB in the Statements of Net Position. The deferred outflows of resources related to pension and OPEB are explained in Note 11 and Note 12.

In addition to liabilities, the statements that report net position may include a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue, OPEB and pension. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period.

For the District, unavailable revenue includes delinquent property taxes, intergovernmental receivables, and investment income. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported in the Statements of Net Position (Note 11 and 12).

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

E. Budgets

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control for the fund.

F. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During fiscal year 2020, investments were limited to money market accounts, negotiable certificates of deposits, commercial paper, United States government securities and notes and State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits, commercial paper and repurchase agreements are reported at cost.

STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents (continued)

For the fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2020 amounted to \$887,131. The amount allocated from the other funds during fiscal year 2020 amounted to \$353,203.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of donated food, purchased food and materials and supplies held for consumption.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The District maintains a capitalization threshold of \$5,000 for individual items. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land improvements	3 - 20 years	N/A
Buildings and improvements	10 - 99 years	N/A
Furniture and equipment	4 - 20 years	5 - 20 years
Vehicles	8 years	N/A

J. Interfund Transactions

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivable” or “interfund payable.” These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as “internal balances.”

Deferred inflows of resources and deferred outflows of resources from the change in internal proportionate share related to pension and OPEB items are eliminated in the total column of the entity wide Statement of Net Position.

K. Compensated Absences

Vacation benefits are accrued as a liability in the government-wide and proprietary fund financial statements as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability in the government-wide and proprietary fund financial statements for accumulated unused vacation time when earned for all employees with more than one year of service and salary related payments, if applicable. Sick leave benefits are accrued as a liability using the termination payment method. An accrual in the government-wide and proprietary fund financial statements for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based on the District’s past experience of making termination payments. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

L. Accrued Liabilities and Long-term Obligations (continued)

However, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current expendable available financial resources. In general, payments made more than sixty days after year end are considered not to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be re-deployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board or a District official delegated that authority by the District Board of Education. Through the District’s purchasing policy, the Board has given the Treasurer the authority to constrain monies for intended purposes.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

M. Fund Balance (continued)

Unassigned: Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

O. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. As of June 30, 2020, the District did not have net position restricted by enabling legislation.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service and uniform school supplies, collection of classroom fees and charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller's funds and as expenditures/expenses in the purchaser's funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

R. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2: Change in Accounting Principles

Newly Adopted Accounting Pronouncements

For fiscal year 2020, the District implemented the following Governmental Accounting Standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 90, *Majority Equity Interests, an amendment to GASB 14 and 61*. This Statement modified previous guidance for reporting a government's equity interest in a legally separate organization. This Statement also provides guidance for reporting a component unit if a government acquires a 100% equity interest in the component unit. The implementation of this GASB pronouncement did not result in any changes to the District's financial statements.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was issued in May 2020 and extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The requirements of this Statement were effective immediately and implemented by the District.

GASB Implementation Guide No. 2018-1, *Implementation Guidance Update – 2018*, issued in May 2018, provides guidance that clarifies, explains or elaborates on GASB Statements. The requirements of this Implementation Guide apply to the financial statements of all state and local governments unless narrower applicability is specifically provided for in the pronouncement addressed by a question and answer. These changes were incorporated in the District's 2020 financial statements; however, there was no effect on beginning net position.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 2: Change in Accounting Principles (continued)

Newly Issued Accounting Pronouncements, Not Yet Adopted

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Activities meeting the criteria should be reported in a fiduciary fund in the basic financial statements. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2019. The District has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Implementation Guide No. 2019-2, *Fiduciary Activities*, issued in June 2019, provides guidance to address issues related to accounting and financial reporting for fiduciary activities in accordance with the requirements of GASB Statement No. 84. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2019. The District has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2021. The District has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued in June 2018, establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period by simplifying accounting for interest cost incurred before the end of a construction period. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2020. The District has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Implementation Guide No. 2019-1, *Implementation Guide Update-2019* and GASB Implementation Guide No. 2019-3, *Leases*, effective dates were also deferred as a result of GASB Statement No. 95. The effective date of these implementation guides are reporting periods beginning after June 15, 2020 and June 15, 2021, respectively. The District has not yet determined the impact that these implementation guides will have on its financial statements and disclosures.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 3: Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balances on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
4. Budgetary revenues and expenditures of the Special Trust Fund and Public School Support Fund are classified to the General Fund for GAAP reporting.
5. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

	<u>General</u>
GAAP basis	\$ (11,886,097)
Revenue accruals	7,960,540
Advances – in	2,412,300
Expenditure accruals	358,354
Advances – out	(108,745)
Encumbrances	(1,565,281)
To reclassify the net change in fund balance for funds combined with the General Fund	<u>(26,840)</u>
Budget basis	\$ <u><u>(2,855,769)</u></u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 4: Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on a fund for the major governmental funds and all other governmental funds are presented below:

<u>Fund</u>	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Inventory and prepaid items	\$ <u>584,051</u>	\$ <u>-</u>	\$ <u>584,051</u>
Restricted for:			
Community activities	-	116,347	116,347
Athletics	-	118,280	118,280
Auxiliary services	-	348,568	348,568
Technology improvements	-	6,825	6,825
Improving teacher quality	-	8,097	8,097
Miscellaneous state and federal grants	-	456	456
Debt service payments	-	2,318,771	2,318,771
Capital improvements	<u>-</u>	<u>10,351,016</u>	<u>10,351,016</u>
Total restricted	<u>-</u>	<u>13,268,360</u>	<u>13,268,360</u>
Assigned to:			
Public school support	191,576	-	191,576
Subsequent year's budget:			
Appropriation of fund balance	10,067,256	-	10,067,256
Purchases on order:			
Instruction services and supplies	69,179	-	69,179
Maintenance services and supplies	307,891	-	307,891
Utilities	<u>41,695</u>	<u>-</u>	<u>41,695</u>
Total assigned	<u>10,677,597</u>	<u>-</u>	<u>10,677,597</u>
Unassigned (deficit)	<u>-</u>	<u>(468,738)</u>	<u>(468,738)</u>
Total	\$ <u>11,261,648</u>	\$ <u>12,799,622</u>	\$ <u>24,061,270</u>

Note 5: Deposits and Investments

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 5: Deposits and Investments (continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed two hundred and seventy days in an amount not to exceed forty percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held until maturity.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 5: Deposits and Investments (continued)

Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the District's deposits may not be returned to it.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

At year-end, the bank balance of the District's deposits was \$4,839,549. At year-end \$1,383,126 of the District's total bank balance was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50% resulting in the uninsured and uncollateralized balance. The District also has \$2,789 in petty cash on hand.

Investments

Investments are reported at fair value. As of June 30, 2020, the District had the following investments:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
US Treasury Note	\$ 1,772,091	\$ 601,782	\$ 1,170,309
Federal Farm Credit Bank (FFCB)	758,663	-	758,663
Federal National Mortgage Association (FNMA)	504,165	504,165	-
Negotiable certificates of deposit	5,607,038	4,319,324	1,287,714
Money market	20,109	20,109	-
Commercial paper	1,619,292	1,619,292	-
STAR Ohio	22,398,530	22,398,530	-
Total portfolio	\$ <u>32,679,888</u>	\$ <u>29,463,202</u>	\$ <u>3,216,686</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 5: Deposits and Investments (continued)

Investments (continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2020:

- STAR Ohio is measured at amortized cost, which approximates fair value. At June 30, 2020, the average days to maturity was 41.5 days.
- FFCB and FNMA are measured based on Level 2 inputs, using matrix pricing.
- Negotiable certificates of deposit, US Treasury Note and commercial paper are measured based on Level 2 inputs, using matrix pricing.
- Money market is valued at amortized cost, which approximates fair value.

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The District investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the District must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed by the District's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. The Federal Farm Credit Bank bonds and Federal National Mortgage Association bonds all carry a rating of AA+ by Standard and Poor's. The commercial paper carries a rating of A1 by Standard and Poor's. STAR Ohio carries a rating AAAm by Standard & Poor's and the money market and US Treasury Note carries a rating of AAA by Standard & Poor's. The negotiable certificates of deposit are unrated.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 5: Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires that no more than twenty-five percent of the District's interim monies shall be invested in either commercial paper notes or bankers' acceptances. The following is the District's allocation as of June 30, 2020:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
US Treasury Note	5.4%
Federal Farm Credit Bank	2.3
Federal National Mortgage Association	1.5
Money market	0.1
Negotiable certificates of deposit	17.2
Commercial paper	5.0
STAR Ohio	68.5

Note 6: Property Taxes

Property taxes are levied and assessed on a calendar year basis while the District's fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State law at 35% of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2018, were levied after April 1, 2019 and are collected in 2020 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Cuyahoga County Fiscal Officer collects property taxes on behalf of the District. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. These tax "advances" are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the county by June 30, 2020, are available to finance fiscal year 2020 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 6: Property Taxes (continued)

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes, which became measurable as of June 30, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2020 was \$5,819,264 for the General Fund, \$455,353 in the Bond Retirement Fund, and \$260,039 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019		2020	
	<u>Second-Half Collections</u>		<u>First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,092,297,090	98.08%	\$ 1,082,425,570	97.86%
Public utility	<u>21,381,610</u>	<u>1.92</u>	<u>23,613,970</u>	<u>2.14</u>
	<u>\$ 1,113,678,700</u>	<u>100.00%</u>	<u>\$ 1,106,039,540</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$ 154.20		\$ 153.60

Note 7: Interfund Transactions

Interfund Balances

Interfund transactions for the year ended June 30, 2020 consisted of the following:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 324,958

All balances resulted from a time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2020, all interfund loans outstanding are anticipated to be repaid during fiscal year 2021.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 7: Interfund Transactions (continued)

Interfund Transfers

Interfund transfers for the year ended June 30, 2020, consisted of the following:

	<u>Transfers – out</u>		
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfers – in:			
General	\$ -	\$ 13,025	\$ 13,025
Nonmajor governmental	290,595	-	290,595
Nonmajor enterprise	<u>582</u>	<u>-</u>	<u>582</u>
Total	<u>\$ 291,177</u>	<u>\$ 13,025</u>	<u>\$ 304,202</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Internal Balances – Changes in Proportionate Share

The District uses an internal proportionate share to allocate its net pension asset/liability, net OPEB asset/liability and corresponding deferred outflows/inflows of resources and pension and OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate share are eliminated from the pension and OPEB deferred outflows/inflows of resources in the total column of the entity wide Statement of Net Position.

Eliminations made in the total column include a deferred outflow and a deferred inflow of resources in the amount of \$121,588 related to pension and \$101,523 related to OPEB.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 8: Receivables

Receivables at June 30, 2020, consisted of taxes, accounts, tuition and intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental activities:	
Tuition	\$ 1,470,467
Teachers Union	28,702
Educational Service Center of Northeast Ohio	24,171
Fuel reimbursement	6,286
Cuyahoga County	70,519
Casino tax	70,288
City of South Euclid	84,436
Early childhood education	10,021
Special education cluster	308,726
Carl D. Perkins grant	40,848
Title I grant	572,207
Title III grant	234
Title II-A grant	20,591
Miscellaneous federal grants	<u>71,147</u>
	2,778,643
Business-type activities:	
Department of Education	<u>270,340</u>
Total intergovernmental receivable	\$ <u><u>3,048,983</u></u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 9: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance at 6/30/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 6/30/20</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,981,623	\$ -	\$ -	\$ 1,981,623
Construction in progress	<u>30,725,285</u>	<u>4,726,517</u>	<u>(365,870)</u>	<u>35,085,932</u>
Total capital assets, not being depreciated	<u>32,706,908</u>	<u>4,726,517</u>	<u>(365,870)</u>	<u>37,067,555</u>
Capital assets, being depreciated:				
Land improvements	7,380,314	-	-	7,380,314
Buildings and improvements	177,960,253	365,870	-	178,326,123
Furniture and equipment	8,621,642	132,241	-	8,753,883
Vehicles	<u>5,178,495</u>	<u>348,206</u>	<u>(452,280)</u>	<u>5,074,421</u>
Total capital assets, being depreciated	<u>199,140,704</u>	<u>846,317</u>	<u>(452,280)</u>	<u>199,534,741</u>
Less accumulated depreciation:				
Land improvements	(4,262,558)	(369,065)	-	(4,631,623)
Buildings and improvements	(36,905,969)	(4,207,193)	-	(41,113,162)
Furniture and equipment	(7,173,075)	(276,354)	-	(7,449,429)
Vehicles	<u>(3,851,109)</u>	<u>(309,932)</u>	<u>452,280</u>	<u>(3,708,761)</u>
Total accumulated depreciation	<u>(52,192,711)</u>	<u>(5,162,544)</u>	<u>452,280</u>	<u>(56,902,975)</u>
Total capital assets being depreciated, net	<u>146,947,993</u>	<u>(4,316,227)</u>	<u>-</u>	<u>142,631,766</u>
Governmental activities capital assets, net	\$ <u>179,654,901</u>	\$ <u>410,290</u>	\$ <u>(365,870)</u>	\$ <u>179,699,321</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 368,867
Vocational	9,215
Support services:	
Instructional staff	429
Business	92,730
Operations and maintenance of plant	4,582,641
Pupil transportation	56,169
Central	2,619
Food services	5,339
Community services	18,296
Extracurricular activities	<u>26,239</u>
	\$ <u>5,162,544</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 9: Capital Assets (continued)

	<u>Balance at 6/30/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 6/30/20</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ <u>256,285</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>256,285</u>
Capital assets, being depreciated:				
Furniture and equipment	573,856	-	-	573,856
Less accumulated depreciation:				
Furniture and equipment	<u>(526,355)</u>	<u>(11,325)</u>	<u>-</u>	<u>(537,680)</u>
Total capital assets being depreciated, net	<u>47,501</u>	<u>(11,325)</u>	<u>-</u>	<u>36,176</u>
Business-type activities capital assets, net	\$ <u><u>303,786</u></u>	\$ <u><u>(11,325)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>292,461</u></u>

Note 10: Risk Management

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2020, the District contracted with several companies for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Deductible/Limit of Coverage</u>
Property Liability	\$1,000 deductible \$348,186,555 limit
Flood and Earthquake Limit	\$50,000 deductible \$2,000,000 limit (each)
Crime	\$1,000 deductible \$1,000,000 limit
General Liability/Employer's Liability	\$15,000,000 limit \$17,000,000 aggregate
Employee Benefits Liability	\$-0- deductible \$15,000,000 limit
Educators' Legal Liability	\$5,000 deductible \$15,000,000 limit/aggregate
Automobile Liability	\$15,000,000 limit

Settled claims have not exceeded this commercial coverage in any of the past three years.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 10: Risk Management (continued)

B. Workers Compensation

The State of Ohio provides workers' compensation coverage. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

C. Employee Medical Benefits

The District is self-insured for medical, dental, vision and prescription of District employees and their covered dependents. Under the program, the District is obligated for claim payments. Incurred but not reported claims of \$1,722,600 have been accrued in the Self-Insurance Internal Service Fund at June 30, 2020, based on an estimate from a third-party administrator. Individual funds are charged for medical expenses based on an estimate of total cost for the District as prepared by the plan administrator, and are recorded as revenues of the Self-Insurance Internal Service Fund.

The claims liability of \$1,722,600 reported in the Self-Insurance Internal Service Fund at June 30, 2020, is based on an estimate provided by the third-party administrator and the requirements of GASB No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2018, 2019, and 2020 are as follows:

	Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
June 30, 2018	\$ 1,794,500	\$ 17,841,271	\$ 17,843,971	\$ 1,791,800
June 30, 2019	1,791,800	18,503,391	18,521,091	1,774,100
June 30, 2020	1,774,100	19,155,823	19,207,323	1,722,600

Note 11: Pension Plans

A. Net Pension/OPEB Liability (Asset)

The net pension/OPEB liability (asset) reported on the Statements of Net Position represent a liability (asset) to employees for pensions/OPEB. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions/OPEB is a present obligation because it was created as a result of employment exchanges that occurred in the past.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

A. Net Pension/OPEB Liability (Asset) (continued)

The net pension/OPEB liabilities (assets) represents the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB Statement No. 68 and 75 assumes the liability (asset) is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits including primarily health care. In most cases, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

State statute requires the retirement systems to amortize unfunded pension/OPEB liabilities within 30 years. If the pension/OPEB amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability on the accrual basis of accounting. Funded benefits is presented as a long-term net pension/OPEB asset. Any liability for the contractually-required contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

B. Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a cost-sharing, multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, Medicare Part B premium reimbursements, and lump sum death benefits. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

B. Plan Description - School Employees Retirement System (SERS) (continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017*	Members attaining 25 years of service after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit Age 60 with 25 years of service credit

*Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0.0%.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0% while the funding for Health Care Fund was 0.0%.

The District's contractually required contribution to SERS was \$2,121,141 for fiscal year 2020. Of this amount, \$116,874 is reported as intergovernmental payable.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

C. Plan Description - State Teachers Retirement System (STRS)

Plan Description – District licensed teachers and other faculty members participate in STRS, a cost-sharing multiple-employer public employee retirement system. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be viewed by visiting www.strsoh.org or by requesting a copy by calling toll-free 888-227-7877.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53% of the 14.00% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14.00% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate goes to the DC Plan and 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or CO Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS therefore has included all three plan options in the GASB 68 schedules of employer allocations and pension amounts by employer.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

C. Plan Description - State Teachers Retirement System (STRS) (continued)

A DB or CO Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or CO Plans.

Administrative Expenses – The costs of administering the DB and postemployment health care plans are financed by investment income. The administrative costs of the DC Plan are financed by participant fees.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2020 the employer rate was 14% and the plan members were also required to contribute 14% of covered salary.

The District's contractually required contribution to STRS was \$6,817,487 for fiscal year 2020. Of this amount, \$1,199,560 is reported as intergovernmental payable.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of net pension liability prior measurement date	0.420330%	0.403167%	
Proportion of net pension liability current measurement date	<u>0.439391%</u>	<u>0.403600%</u>	
Change in proportionate share	<u>0.019061%</u>	<u>0.000433%</u>	
Proportionate share of the net pension liability	\$ 26,289,534	\$ 89,253,750	\$ 115,543,284
Pension expense	\$ 3,073,802	\$ 11,752,035	\$ 14,825,837

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 666,644	\$ 726,674	\$ 1,393,318
Change in assumptions	-	10,484,576	10,484,576
Changes in proportionate share and difference between District contributions and proportionate share of contributions	612,118	-	612,118
District contributions subsequent to the measurement date	<u>2,121,141</u>	<u>6,817,487</u>	<u>8,938,628</u>
Total deferred outflows of resources	\$ <u>3,399,903</u>	\$ <u>18,028,737</u>	\$ <u>21,428,640</u>
Deferred inflows of resources			
Changes in proportionate share and difference between District contributions and proportionate share of contributions	\$ 738,680	\$ 5,738,262	\$ 6,476,942
Differences between expected and actual experience	-	386,362	386,362
Difference between projected and actual earnings on pension plan investments	<u>337,458</u>	<u>4,362,240</u>	<u>4,699,698</u>
Total deferred inflows of resources	\$ <u>1,076,138</u>	\$ <u>10,486,864</u>	\$ <u>11,563,002</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The District reported \$8,938,628 as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2021	\$ 414,624	\$ 2,140,580	\$ 2,555,204
2022	(380,922)	(1,069,469)	(1,450,391)
2023	(22,456)	(865,795)	(888,251)
2024	<u>191,378</u>	<u>519,070</u>	<u>710,448</u>
Total	\$ <u>202,624</u>	\$ <u>724,386</u>	\$ <u>927,010</u>

E. Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2135.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

E. Actuarial Assumptions - SERS (continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019 are presented below:

Valuation date	June 30, 2019
Actuarial cost method	Entry age normal (level percent of payroll)
Actuarial Assumptions:	
Investment rate of return	7.50%, net of investments expense
COLA or Ad Hoc COLA	2.50%, on or after April, 1 2018, COLA's for future retirees will be delayed for three years following commencement.
Future salary increases, including inflation	3.50% to 18.20%
Inflation	3.00%

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement.

The most recent experience study was completed June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00%	0.50%
US equity	22.50	4.75
International equity	22.50	7.00
Fixed income	19.00	1.50
Private equity	10.00	8.00
Real assets	15.00	5.00
Multi-asset strategies	10.00	3.00
Total	<u>100.00%</u>	

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

E. Actuarial Assumptions - SERS (continued)

Discount Rate The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease <u>(6.50%)</u>	Current Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
District's proportionate share of the net pension liability	\$ 36,841,036	\$ 26,289,534	\$ 17,440,779

F. Actuarial Assumptions - STRS

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increase	3.00%
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Cost-of-living adjustments (COLA)	0.00% effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rate between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

F. Actuarial Assumptions - STRS (continued)

Actuarial assumptions used in the June 30, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation**</u>	<u>Long Term Expected Real Rate of Return*</u>
Domestic equity	28.00%	7.35%
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquidity reserves	1.00	2.25
Total	<u>100.00%</u>	

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.25%, and does not include investment expenses. Over a 30-year period, STRS's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate The discount rate used to measure the total pension liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 11: Pension Plans (continued)

F. Actuarial Assumptions - STRS (continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease <u>(6.45%)</u>	Current Discount Rate <u>(7.45%)</u>	1% Increase <u>(8.45%)</u>
District's proportionate share of the net pension liability	\$ 130,434,412	\$ 89,253,750	\$ 54,392,210

Note 12: Defined Benefit OPEB Plans

A. Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description – The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 12: Defined Benefit OPEB Plans (continued)

A. Plan Description - School Employees Retirement System (SERS) (continued)

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14.0% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year ended June 30, 2020, 0.0% of covered payroll was made to health care. Active employee members do not contribute to the Health Care Plan. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year ended June 30, 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2.0% of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District’s surcharge obligation was \$162,419.

The surcharge, added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District’s contractually required contribution to SERS was \$162,419 for fiscal year 2020. Of this amount \$162,419 is reported as an intergovernmental payable.

B. Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 12: Defined Benefit OPEB Plans (continued)

C. OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of net OPEB liability/asset prior measurement date	0.428203%	0.403167%	
Proportion of net OPEB liability/asset current measurement date	<u>0.440571%</u>	<u>0.403600%</u>	
Change in proportionate share	<u>0.012368%</u>	<u>0.000433%</u>	
Proportionate share of the net OPEB liability	\$ 11,079,440	\$ -	\$ 11,079,440
Proportionate share of the net OPEB asset	\$ -	\$ 6,684,587	\$ 6,684,587
OPEB expense (reduction of expense)	\$ (21,469)	\$ (2,330,976)	\$ (2,352,445)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 162,637	\$ 606,006	\$ 768,643
Change in assumptions	809,227	140,509	949,736
Difference between projected and actual earnings on plan investments	26,595	-	26,595
Changes in proportionate share and difference between District contributions and proportionate share of contributions	259,038	2,496	261,534
District contributions subsequent to the measurement date	<u>162,419</u>	<u>-</u>	<u>162,419</u>
Total deferred outflows of resources	\$ <u>1,419,916</u>	\$ <u>749,011</u>	\$ <u>2,168,927</u>

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 12: Defined Benefit OPEB Plans (continued)

C. OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Change in assumptions	\$ 620,859	\$ 7,328,866	\$ 7,949,725
Difference between expected and actual experience	2,434,077	340,086	2,774,163
Difference between projected and actual earnings on plan investments	-	419,841	419,841
Changes in proportionate share and difference between District contributions and proportionate share of contributions	<u>591,526</u>	<u>1,141,165</u>	<u>1,732,691</u>
Total deferred inflows of resources	\$ <u>3,646,462</u>	\$ <u>9,229,958</u>	\$ <u>12,876,420</u>

The \$162,419 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2021	\$ (930,424)	\$ (1,880,104)	\$ (2,810,528)
2022	(353,357)	(1,880,108)	(2,233,465)
2023	(345,551)	(1,711,843)	(2,057,394)
2024	(346,821)	(1,652,815)	(1,999,636)
2025	(293,180)	(1,375,723)	(1,668,903)
Thereafter	<u>(119,632)</u>	<u>19,646</u>	<u>(99,986)</u>
Total	\$ <u>(2,388,965)</u>	\$ <u>(8,480,947)</u>	\$ <u>(10,869,912)</u>

D. Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 12: Defined Benefit OPEB Plans (continued)

D. Actuarial Assumptions - SERS (continued)

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented below:

Wage inflation	3.00%
Projected salary increases	3.50% to 18.20%, including inflation
Investment rate of return	7.50%
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption	
Medicare	5.25% to 4.75%
Pre-Medicare	7.00% to 4.75%

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

The most recent experience study was completed for the five-year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 12: Defined Benefit OPEB Plans (continued)

D. Actuarial Assumptions - SERS (continued)

The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00%	0.50%
US equity	22.50	4.75
International equity	22.50	7.00
Fixed income	19.00	1.50
Private equity	10.00	8.00
Real assets	15.00	5.00
Multi-asset strategies	10.00	3.00
Total	<u>100.00%</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the State statute contribution rate of 1.50% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2029. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2029 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e., municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1% point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 12: Defined Benefit OPEB Plans (continued)

D. Actuarial Assumptions - SERS (continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(2.22%)</u>	<u>(3.22%)</u>	<u>(4.22%)</u>
District's proportionate share of the net OPEB liability	\$ 13,448,338	\$ 11,079,440	\$ 9,195,887

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 8,876,875	\$ 11,079,440	\$ 14,001,708

E. Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019 actuarial valuation are presented below:

Salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increases	3.00%
Investment rate of return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%

	<u>Initial</u>	<u>Ultimate</u>
Health care cost trends		
Medical		
Pre-Medicare	5.87%	4.00%
Medicare	4.93%	4.00%
Prescription drug		
Pre-Medicare	7.73%	4.00%
Medicare	9.62%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 12: Defined Benefit OPEB Plans (continued)

E. Actuarial Assumptions - STRS (continued)

The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation**</u>	<u>Long Term Expected Real Rate of Return*</u>
Domestic equity	28.00%	7.35%
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquidity reserves	1.00	2.25
Total	<u>100.00%</u>	

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.25%, and does not include investment expenses. Over a 30-year period, STRS's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

** Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB liability as of June 30, 2019.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
District's proportionate share of the net OPEB asset	\$ 5,703,964	\$ 6,684,587	\$ 7,509,062

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 12: Defined Benefit OPEB Plans (continued)

E. Actuarial Assumptions - STRS (continued)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 7,580,015	\$ 6,684,587	\$ 5,587,905

Benefit Term Changes Since the Prior Measurement Date There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

Note 13: Employee Benefits

A. Compensated Absences

The criteria for determining vacation, personal leave, sick leave, and compensatory time components are derived from negotiated agreements and state laws. Classified employees and administrators earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for one-fourth of the first 360 days of total sick leave accumulation plus one-eighth the next 99 days. The entire compensated absence liability is reported on the government-wide financial statements.

B. Early Retirement Incentive

The District offers employees participation in a Retirement Incentive Program. Participation is open to teachers who have been employed by the District for at least ten years and who opt to retire at the end of any school year and have been approved by STRS to receive retirement benefits other than disability retirement with thirty years or fewer of service credit.

Eligible employees must notify the Board of their intention to retire in writing, no later than March 1 of the year they intend to retire. Eligible employees who fulfill the above requirements will receive two equal lump sums of \$12,000, each to be paid as soon after June 30 as practicable in the year of retirement and the following year. Certain classified employees are also eligible to receive a retirement incentive.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 13: Employee Benefits (continued)

B. Early Retirement Incentive (continued)

The last installment of the 2018-2019 and the first installment of the 2019-2020 Retirement Incentive Programs were paid prior to June 30, 2020. These payments of \$180,000 were made from the General Fund.

The last installment of the 2019-2020 and the first installment of the 2020-2021 Retirement Incentive Programs will be paid starting in July 2020. These payments of \$204,000 will be made from the General Fund and are reported as a liability in the fund financial statements.

The last installment of the 2020-2021 Retirement Incentive Programs will be completed in July 2021. The payments of \$96,000 will be made from the General Fund and are reported on the government-wide financial statements.

Note 14: Long - Term Liabilities

The changes in the District's long-term obligations during fiscal year 2020 were as follows:

	<u>Principal Outstanding at 6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Principal Outstanding at 6/30/20</u>	<u>Amounts Due in One Year</u>
Governmental activities:					
2012 \$6,750,000 Library Improvement Refunding Bonds – interest rates of 2.00-2.25%	\$ 4,100,000	\$ -	\$ 475,000	\$ 3,625,000	\$ 490,000
Premium on Library Improvement Refunding Bonds	106,517	-	13,315	93,202	-
2014 \$21,000,000 Certificates of Participation – interest rates of 3.00-5.00%	18,525,000	-	470,000	18,055,000	480,000
Discount on Certificates of Participation	(24,973)	-	(960)	(24,013)	-
2014 \$134,799,915 School Improvement Bonds – interest rates of 2.40-19.85%	72,789,915	-	354,207	72,435,708	898,259
Premium on 2014 School Improvement Bonds	776,657	-	23,897	752,760	-
2017 \$60,725,000 School Improvement Refunding Bonds – interest rates of 3.50-69.58%	60,725,000	-	-	60,725,000	-
Premium on 2017 School Improvement Bonds	9,371,846	-	288,365	9,083,481	-
Appreciation on Capital Appreciation Bonds	1,774,288	449,234	-	2,223,522	-
Qualified Zone Academy Bonds	5,500,000	-	5,500,000	-	-
Capital lease obligations	210,785	67,635	102,341	176,079	92,131

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 14: Long - Term Liabilities (continued)

	Principal Outstanding at 6/30/19	Additions	Deletions	Principal Outstanding at 6/30/20	Amounts Due in One Year
Early retirement incentive	132,000	96,000	132,000	96,000	-
Net pension liability:					
SERS	23,230,540	2,401,756	-	25,632,296	-
STRS	88,647,341	606,409	-	89,253,750	-
Net OPEB liability:					
SERS	11,463,716	-	661,262	10,802,454	-
Compensated absences	<u>7,303,118</u>	<u>1,781,430</u>	<u>1,171,075</u>	<u>7,913,473</u>	<u>2,395,908</u>
Total governmental long-term liabilities	\$ <u>304,631,750</u>	\$ <u>5,402,464</u>	\$ <u>9,190,502</u>	\$ <u>300,843,712</u>	\$ <u>4,356,298</u>
Business-type activities:					
Net pension liability – SERS	\$ 842,559	\$ -	\$ 185,321	\$ 657,238	\$ -
Net OPEB liability – SERS	415,783	-	138,797	276,986	-
Compensated absences	<u>32,724</u>	<u>650</u>	<u>8,951</u>	<u>24,423</u>	<u>8,901</u>
Total business-type long-term liabilities	\$ <u>1,291,066</u>	\$ <u>650</u>	\$ <u>333,069</u>	\$ <u>958,647</u>	\$ <u>8,901</u>

The school improvement bonds will be paid from property taxes. Compensated absences will be paid from the General Fund and various other governmental and enterprise funds as they are paid. The District pays obligations related to employee compensation from the fund benefitting from their service.

During fiscal year 2004, the District was authorized to issue \$5.5 million in Qualified Zone Academy Bonds (QZAB) in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), which was used for the rehabilitation and repair portions of the District's facilities. On April 2, 2004, the District issued the \$5.5 million QZAB that matured on April 25, 2020. The entire principal balance of \$5.5 million is due at maturity and the bonds do not bear interest. To satisfy escrow requirements of the program, the District placed \$2.5 million in an escrow account with a local bank. The entire principal balance of \$5.5 million was paid during fiscal year 2020.

During fiscal year 2013, the District issued \$6,750,000 in General Obligation (Unlimited Tax) Library Refunding Bonds for the purpose of refunding Library Improvement Bonds outstanding in order to take advantage of lower interest rates. The interest rates range from 2.00% to 2.25%.

The refunding bonds were sold at a premium of \$199,722. Proceeds and premium of \$6,949,722 and cash reserves of \$170,318 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the certificates of participation. As a result, \$6,825,000 of the Series 2002 bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the District's financial statements. The refunded bonds were called and redeemed in full in December 2012.

On March 4, 2014, the District issued \$134,799,915 in General Obligation (Unlimited Tax) School Improvement Bonds for the purpose of constructing, renovating, remodeling, enlarging, furnishing, equipping and otherwise improving school district buildings and facilities and acquiring, improving and equipping sites for such buildings and facilities. The interest rates range from 1.5% to 19.85%.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 14: Long - Term Liabilities (continued)

During fiscal year 2018, the District issued \$60,725,000 in General Obligation (Unlimited Tax) School Improvement Bonds for the purpose of partially refunding the 2014 General Obligation (Unlimited Tax) School Improvement Bonds outstanding. The interest rates range from 3.50% to 69.58%. The refunding bonds were sold at a premium of \$9,804,394 and resulted in a loss on refunding of \$8,692,122. Proceeds and premium of \$70,089,641 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the Series 2014 bonds. As a result, \$60,725,000 of the Series 2014 bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the District's financial statements. As of June 30, 2020, the amount of defeased debt outstanding amounted to \$60,725,000. The District decreased its total debt service payments by \$4,936,339 as a result of the refunding. The District also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$4,276,471.

On March 18, 2014 the District entered into a \$21,000,000 lease agreement with the Ohio School Building Leasing Corporation (the "Leasing Corporation") for facility upgrades. The lease is an annual lease subject to renewal for 31 years through December 1, 2043. The Leasing Corporation entered into an agreement with a trustee through which it assigned and transferred rights and interest under the lease to the Huntington National Bank as Trustee. The Trustee issued Certificates of Participation in the lease agreement enabling holders of the Certificates to receive a portion of the semi-annual lease payments. Proceeds from the issuance are mainly being used to make facility upgrades.

The obligation of the District under the lease and any subsequent lease renewal is subject to annual appropriation of the rental payments. Legal title of the facilities remains with the Leasing Corporation until all payments required under the lease have been made. At that time, title will transfer to the District. The annual principal and interest requirements are payable from proceeds from the permanent improvement tax levy. The Certificates of Participation are not a general obligation of the District but are payable only from appropriations in the Bond Retirement Fund by the District for annual lease payments.

The legal debt margin of the District as of June 30, 2020, was \$-0- with an unvoted debt margin of \$1,082,426.

Principal and interest requirements to retire general obligation bonds and library improvement bonds outstanding at June 30, 2020, are as follows:

	2014 School Improvement Bonds			2017 School Improvement Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 898,259	\$ 3,226,866	\$ 4,125,125	\$ -	\$ 2,311,850	\$ 2,311,850
2022	846,785	3,278,340	4,125,125	-	2,311,850	2,311,850
2023	903,732	3,366,393	4,270,125	-	2,311,850	2,311,850
2024	852,552	3,417,573	4,270,125	22,239	3,054,611	3,076,850
2025	1,075,760	3,594,365	4,670,125	12,240	3,064,610	3,076,850
2026-2030	1,168,620	16,017,005	17,185,625	2,380,521	20,596,729	22,977,250
2031-2035	3,430,000	15,273,450	18,703,450	13,220,000	9,577,650	22,797,650
2036-2040	-	14,578,875	14,578,875	22,180,000	6,327,650	28,507,650
2041-2045	28,310,000	11,541,601	39,851,601	1,050,000	3,919,827	4,969,827
2046-2050	27,650,000	4,597,713	32,247,713	10,840,000	3,389,576	14,229,576
2051-2052	7,300,000	369,500	7,669,500	11,020,000	389,026	11,409,026
Total	\$ 72,435,708	\$ 79,261,681	\$ 151,697,389	\$ 60,725,000	\$ 57,255,229	\$ 117,980,229

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 14: Long - Term Liabilities (continued)

	Library Refunding Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 490,000	\$ 70,312	\$ 560,312	\$ 480,000	\$ 754,044	\$ 1,234,044
2022	500,000	60,413	560,413	490,000	739,494	1,229,494
2023	510,000	50,313	560,313	505,000	724,569	1,229,569
2024	515,000	40,062	555,062	520,000	709,194	1,229,194
2025	525,000	29,662	554,662	535,000	692,700	1,227,700
2026-2030	1,085,000	24,582	1,109,582	2,980,000	3,156,490	6,136,490
2031-2035	-	-	-	3,605,000	2,510,280	6,115,280
2036-2040	-	-	-	4,495,000	1,583,751	6,078,751
2041-2045	-	-	-	4,445,000	410,962	4,855,962
2046-2050	-	-	-	-	-	-
2051-2052	-	-	-	-	-	-
Total	\$ <u>3,625,000</u>	\$ <u>275,344</u>	\$ <u>3,900,344</u>	\$ <u>18,055,000</u>	\$ <u>11,281,484</u>	\$ <u>29,336,484</u>

	Total		
	Principal	Interest	Total
2021	\$ 1,868,259	\$ 6,363,072	\$ 8,231,331
2022	1,836,785	6,390,097	8,226,882
2023	1,918,732	6,453,125	8,371,857
2024	1,909,791	7,221,440	9,131,231
2025	2,148,000	7,381,337	9,529,337
2026-2030	7,614,141	39,794,806	47,408,947
2031-2035	20,255,000	27,361,380	47,616,380
2036-2040	26,675,000	22,490,276	49,165,276
2041-2045	33,805,000	15,872,390	49,677,390
2046-2050	38,490,000	7,987,289	46,477,289
2051-2052	<u>18,320,000</u>	<u>758,526</u>	<u>19,078,526</u>
Total	\$ <u>154,840,708</u>	\$ <u>148,073,738</u>	\$ <u>302,914,446</u>

Note 15: Lease Obligations

The District has entered into capital leases for copier equipment. These leases meet the criteria of a capital lease. Governmental activities capital assets consisting of copier equipment have capital lease balances at June 30, 2020 in the amount of \$176,079. For the copier equipment, the present value of the future minimum payments at the time of acquisition was \$538,434 less accumulated depreciation, \$385,068. Principal payments for all of capital leases in the 2020 fiscal year totaled \$102,341. These amounts are reported as debt service principal expenditures of the General Fund.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 15: Lease Obligations (continued)

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2020:

	Capital Leases
2021	\$ 97,959
2022	32,358
2023	32,358
2024	16,512
2025	<u>8,792</u>
Total minimum lease payments	187,979
Less: amounts representing interest	<u>(11,900)</u>
Present value minimum capital lease payments	<u>\$ 176,079</u>

Amortization of capital leases is included in depreciation expense.

The District also has operating leases to assist with parking requirements and storage during the school facilities construction project that is ongoing.

The first lease is for a period of five years and requires monthly payments of \$2,200. This lease was extended for an additional three years in fiscal year 2019. The second lease is for a period of two years and requires monthly payments of \$4,250. The following is a schedule of the future minimum lease payments required under the operating leases at year-end:

	Operating Leases
2021	\$ 26,400
2022	26,400
2023	<u>8,800</u>
Total minimum lease payments	<u>\$ 61,600</u>

Rent expense related to the operating leases totaled \$56,150 for the year ended June 30, 2020.

Note 16: Jointly Governed Organization

The Ohio Schools' Council (the "Council") is a jointly governed organization among 254 school districts, educational service centers, joint vocational districts and Developmental Disabilities boards. The jointly governed organization was created for the purpose of saving money through volume purchases. Each member supports the Council by paying an annual participation fee. Each member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the "Council Board").

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 16: Jointly Governed Organization (continued)

The Council Board is the policy making authority of the Council. The Council Board meets monthly September to June. The Council Board appoints the Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Council Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2020, the District paid \$207,375 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd, Suite 377, Independence, Ohio 44131.

The School District also participates in the Council's electricity group purchase program. The Council's current program, Power 4 Schools, offerings electric generation savings for Ohio school districts.

The District participates in the Council's prepaid natural gas program. This program allows school districts to purchase natural gas at reduced rates. Constellation New Energy (Formerly Compass) is the natural gas supplier and program manager. There are currently 165 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Note 17: Set-Aside Requirements

The District is required by State statute to annually set aside in the General Fund an amount on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the changes in the year end set-aside amounts for capital improvements. Disclosure of this information is required by State statute.

	Capital Improvements
Set-aside reserve balance as of June 30, 2019	\$ -
Qualifying off-sets	(3,246,693)
Current year set-aside requirements	915,207
Qualifying disbursements	<u>(436,870)</u>
Total set-aside reserve balance as of June 30, 2020	<u>\$ (2,768,356)</u>

Although the District had qualifying disbursements during the year that reduced the capital improvements set-aside amount below zero, this amount may not be used to reduce the set-aside requirement for future fiscal years. This negative balance is therefore not presented as being carried forward to future fiscal years.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 18: Contractual Commitments and Other Significant Commitments

At June 30, 2020, the District's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Monticello kitchen renovation project	\$ 976,075	\$ 922,204	\$ 53,871

Other significant commitments include the encumbrances outstanding for the General Fund and Nonmajor Funds were as follows:

	<u>Encumbrances</u>
General Fund	\$ 907,686
Nonmajor Funds	<u>4,414,485</u>
Total other significant commitments	\$ <u>5,322,171</u>

Note 19: Contingencies

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

B. Litigation

The District is party to legal proceedings. The District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

C. Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2020 have been finalized. The FTE adjustment made by ODE subsequent to year-end were not material to the financial statements.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 20: Related Organization

The Cleveland Heights-University Heights Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies.

Although the District serves as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Cleveland Heights-University Heights Public Library at 2345 Lee Road, Cleveland Heights, Ohio 44118.

Note 21: Accountability

The following funds had deficit fund balances/net position at June 30, 2020:

Special Revenue Funds:

Idea (Flo-Thru)	\$	140,668
Vocational Education		13,683
Title I Improvement		138
Title I		254,603
Miscellaneous Federal Grants		35,377
Public School Preschool Grant		17,038
Preschool Disabilities Grant		7,227
Title III		4

Enterprise Fund:

Food Services		816,610
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The deficits in the special revenue funds are due to timing differences in accruing revenues and expenditures. The deficits in the enterprise fund is due to accrued expenses. The General Fund is liable for any deficit in the funds and provides transfers when cash is required, not when accruals occur.

Note 22: Fiscal Distress

COVID-19/Fiscal Distress

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio and the investments of the pension and other employee benefit plan in which the District participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Cleveland Heights-University Heights City School District

Notes to the Basic Financial Statements (continued)

For the Fiscal Year Ended June 30, 2020

Note 22: Fiscal Distress (continued)

COVID-19/Fiscal Distress (continued)

In addition to the COVID-19 pandemic, the District has seen significant loss of funding from the State of Ohio due to the Ed Choice Voucher program, which diverts funding from academically struggling public school districts for students to attend private schools. The District lost \$7.1 million during the fiscal year in State Foundation funding that was diverted to private schools through the program. If the current legislation is not changed, the District expects to lose significant amounts of State Foundation funding in the future due to the Ed Choice Voucher program. As a result of the current State funding model and legislation, the need for additional local property taxes at the District is apparent. In the November 2020 general election, the voters of the District approved the passage of an additional 4.8 mil property tax levy that should generate \$5.3 million. While the additional property tax levy and cost cutting measures will alleviate some financial distress conditions through fiscal year 2022, the District will need voters to approve additional property tax levies in the near future, if legislation is not changed related to the Ed Choice Voucher program and if the significant increases to State funding are not received by the District.

Cleveland Heights-University Heights City School District

Required Supplementary Information Schedule of the School District's Proportionate Share of the Net Pension Liability School Employees Retirement System of Ohio

For the Last Seven Fiscal Years

	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
School district's proportion of the net pension liability	0.439391%	0.420330%	0.438239%	0.483673%	0.514349%	0.521422%	0.521422%
School district's proportionate share of the net pension liability	\$ 26,289,534	\$ 24,073,099	\$ 26,183,793	\$ 35,400,399	\$ 29,349,258	\$ 26,388,871	\$ 31,007,293
School district's covered payroll	\$ 15,017,429	\$ 14,786,457	\$ 14,396,614	\$ 15,110,743	\$ 15,397,779	\$ 15,100,572	\$ 14,816,958
School district's proportionate share of the net pension liability as a percentage of its covered payroll	175.06%	162.81%	181.87%	234.27%	190.61%	174.75%	209.27%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available. Amounts presented for each fiscal year were determined as of the District's measurement date which is June 30 of the prior year.

The accompanying notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Required Supplementary Information Schedule of the School District's Proportionate Share of the Net Pension Liability State Teachers Retirement System of Ohio

For the Last Seven Fiscal Years

	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
School district's proportion of the net pension liability	0.403600%	0.403167%	0.409185%	0.440678%	0.462690%	0.420736%	0.420736%
School district's proportionate share of the net pension liability	\$ 89,253,750	\$ 88,647,341	\$ 97,202,672	\$ 147,508,268	\$ 127,873,968	\$ 102,337,463	\$ 121,903,717
School district's covered payroll	\$ 48,124,964	\$ 45,873,871	\$ 44,251,686	\$ 47,545,043	\$ 48,339,057	\$ 47,308,229	\$ 49,081,508
School district's proportionate share of the net pension liability as a percentage of its covered payroll	185.46%	193.24%	219.66%	310.25%	264.54%	216.32%	248.37%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available. Amounts presented for each fiscal year were determined as of the District's measurement date which is June 30 of the prior year.

The accompanying notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Required Supplementary Information Schedule of the School District Pension Contributions School Employees Retirement System of Ohio

For the Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,121,141	\$ 2,027,353	\$ 1,996,172	\$ 2,015,526	\$ 2,115,504
Contributions in relation to the contractually required contribution	<u>(2,121,141)</u>	<u>(2,027,353)</u>	<u>(1,996,172)</u>	<u>(2,015,526)</u>	<u>(2,115,504)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 15,151,007	\$ 15,017,429	\$ 14,786,457	\$ 14,396,614	\$ 15,110,743
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%	14.00%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 2,029,427	\$ 2,092,939	\$ 2,050,667	\$ 2,087,659	\$ 1,827,770
Contributions in relation to the contractually required contribution	(2,029,427)	(2,092,939)	(2,050,667)	(2,087,659)	(1,827,770)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 15,397,779	\$ 15,100,571	\$ 14,816,958	\$ 15,521,628	\$ 14,540,732
Contributions as a percentage of covered payroll	13.18%	13.86%	13.84%	13.45%	12.57%

The accompanying notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Required Supplementary Information Schedule of the School District Pension Contributions State Teachers Retirement System of Ohio

For the Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 6,817,487	\$ 6,737,495	\$ 6,422,342	\$ 6,195,236	\$ 6,656,306
Contributions in relation to the contractually required contribution	<u>(6,817,487)</u>	<u>(6,737,495)</u>	<u>(6,422,342)</u>	<u>(6,195,236)</u>	<u>(6,656,306)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 48,696,336	\$ 48,124,964	\$ 45,873,871	\$ 44,251,686	\$ 47,545,043
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 6,767,468	\$ 6,150,070	\$ 6,380,596	\$ 6,503,136	\$ 6,789,522
Contributions in relation to the contractually required contribution	<u>(6,767,468)</u>	<u>(6,150,070)</u>	<u>(6,380,596)</u>	<u>(6,503,136)</u>	<u>(6,789,522)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 48,339,057	\$ 47,308,229	\$ 49,081,508	\$ 50,024,123	\$ 52,227,092
Contributions as a percentage of covered payroll	14.00%	13.00%	13.00%	13.00%	13.00%

The accompanying notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB Liability

School Employees Retirement System of Ohio

For the Last Four Fiscal Years

	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
School district's proportion of the net OPEB liability	0.440571%	0.428203%	0.445562%	0.490592%
School district's proportionate share of the net OPEB liability	\$ 11,079,440	\$ 11,879,499	\$ 11,957,715	\$ 13,983,693
School district's covered payroll	\$ 15,017,429	\$ 14,786,457	\$ 14,396,614	\$ 15,110,743
School district's proportionate share of the net OPEB liability as a percentage of its covered payroll	73.78%	80.34%	83.06%	92.54%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available. Amounts presented for each fiscal year were determined as of the District's measurement date which is June 30 of the prior fiscal year.

The accompanying notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB (Asset)/Liability State Teachers Retirement System of Ohio

For the Last Four Fiscal Years

	<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
School district's proportion of the net OPEB asset/liability	0.403600%	0.403167%	0.409185%	0.409185%
School district's proportionate share of the net OPEB (asset)/liability	\$ (6,684,587)	\$ (6,478,497)	\$ 15,964,872	\$ 23,567,584
School district's covered payroll	\$ 48,124,964	\$ 45,873,871	\$ 44,251,686	\$ 47,545,043
School district's proportionate share of the net OPEB (asset)/liability as a percentage of its covered payroll	(13.89%)	(14.12%)	36.08%	49.57%
Plan fiduciary net position as a percentage of the total OPEB asset/liability	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available. Amounts presented for each fiscal year were determined as of the District's measurement date which is June 30 of the prior fiscal year.

The accompanying notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Required Supplementary Information Schedule of the School District OPEB Contribution School Employees Retirement System of Ohio

For the Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 162,419	\$ 298,453	\$ 313,159	\$ 246,778	\$ 249,000
Contributions in relation to the contractually required contribution	<u>(162,419)</u>	<u>(298,453)</u>	<u>(313,159)</u>	<u>(246,778)</u>	<u>(249,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 15,151,007	\$ 15,017,429	\$ 14,786,457	\$ 14,396,614	\$ 15,110,743
Contributions as a percentage of covered payroll	1.07%	1.99%	2.12%	1.71%	1.65%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 363,851	\$ 275,793	\$ 295,663	\$ 326,508	\$ 438,353
Contributions in relation to the contractually required contribution	<u>(363,851)</u>	<u>(275,793)</u>	<u>(295,663)</u>	<u>(326,508)</u>	<u>(438,353)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 15,397,779	\$ 15,100,571	\$ 14,816,958	\$ 15,521,628	\$ 14,540,732
Contributions as a percentage of covered payroll	2.36%	1.83%	2.00%	2.10%	3.01%

(1) Includes surcharge

The accompanying notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Required Supplementary Information Schedule of the School District OPEB Contribution State Teachers Retirement System of Ohio

For the Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 48,696,336	\$ 48,124,964	\$ 45,873,871	\$ 44,251,686	\$ 47,545,043
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ -	\$ 473,082	\$ 490,815	\$ 500,241	\$ 522,271
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(473,082)</u>	<u>(490,815)</u>	<u>(500,241)</u>	<u>(522,271)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School district covered payroll	\$ 48,339,057	\$ 47,308,229	\$ 49,081,508	\$ 50,024,123	\$ 52,227,092
Contributions as a percentage of covered payroll	0.00%	1.00%	1.00%	1.00%	1.00%

The accompanying notes are an integral part of the required supplementary information.

Cleveland Heights-University Heights City School District

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2020

Note 1: Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2019, an assumption of 2.5% was used for COLA or Ad Hoc Cola. Prior to 2019, an assumption of 3.0% was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	3.00%	3.25%
Future Salary Increases, including inflation	3.50% to 18.20%	4.00% to 22.00%
Investment Rate of Return	7.50% net of investments expense, including inflation	7.75% net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions – STRS

Beginning with fiscal year 2019, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50%	2.75%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.25% at age 20 to 2.75% at age 70
Investment Rate of Return	7.45%, net of investment expenses, including inflation	7.75%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.50%
Cost-of-Living Adjustments (COLA)	0.00%, effective July 1, 2017	2.00% simple applied as follows: for members retiring before August 1, 2013, 2.00% per year; for members retiring August 1, 2013, or later, 2.00% COLA commences on fifth anniversary of retirement date.

Cleveland Heights-University Heights City School District

Notes to Required Supplementary Information (continued)

For the Fiscal Year Ended June 30, 2020

Note 1: Net Pension Liability (continued)

Changes in Assumptions – STRS (continued)

Beginning in fiscal year 2019 post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014

Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Note 2: Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2020 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2020 3.56%

Fiscal year 2019 3.62%

Fiscal year 2018 3.56%

Fiscal year 2017 2.92%

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2020 3.63%

Fiscal year 2019 3.70%

Fiscal year 2018 3.63%

Fiscal year 2017 2.98%

Beginning in fiscal year 2020 the healthcare cost trend rate was updated from 7.25% decreasing to 4.75% to 7.00% decreasing to 4.75%.

Beginning in fiscal year 2019 the healthcare cost trend rate was updated from 7.5% decreasing to 5.0% to 7.25% decreasing to 4.75%.

Cleveland Heights-University Heights City School District

Notes to Required Supplementary Information (continued)

For the Fiscal Year Ended June 30, 2020

Note 2: Net OPEB Liability (continued)

Changes in Assumptions – STRS

For fiscal year 2019 the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Also for fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

Changes in Benefit Term Changes – STRS

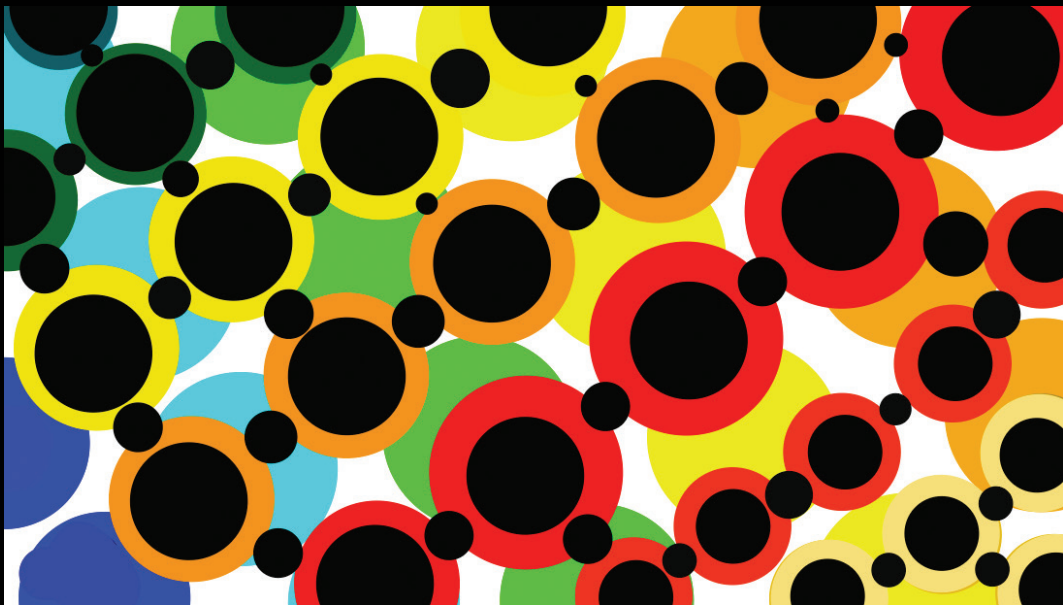
There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio

Combining Statements & Individual Fund Schedules



Briana McKay
Gr 5 Gearity Elementary



CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2020

Nonmajor Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Following is a description of the District's nonmajor special revenue funds:

Other Grants This fund is used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

District Managed Activity This fund is used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services This fund accounts for state funds for the purchase of science and math materials, as well as psychological and other supplemental services at the non-public schools within the District.

Public School Preschool Grant This fund accounts for the state revenues which address the educational needs of 4 year olds who are at risk of being poor achievers.

Data Communication This fund accounts for restricted state grant monies used for classroom wiring for technology.

Student Wellness and Success This fund accounts for restricted state grant monies used to support students' academic achievement through mental health counseling, wraparound services, mentoring and after-school programs.

Miscellaneous State Grants This fund represents state monies that support academic and enrichment programs for the student body.

Elementary and Secondary School Emergency Relief This fund is represents state monies that are restricted to respond to the COVID-19 pandemic.

IDEA (Flo-Thru) The purpose of this federal program is to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Vocational Education Provides funds to boards of education, training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including six equity grants.

Title I Improvement The purpose of this federal program is to improve student achievement in Title I schools identified for improvement.

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Governmental Funds Fund Descriptions

June 30, 2020

Nonmajor Special Revenue Funds (continued)

Title III This fund accounts for funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency. These programs provide structured English language instruction, with respect to the years of study to which the program is applicable, and instruction in the child's native language to the extent necessary to allow a child to achieve competence in English. The instruction incorporates the cultural heritage of these children and of other children in American society. The instruction must, to the extent necessary, be in all courses or subjects of study which will allow a child to meet grade promotion and graduation standards.

Title I The purpose of this federal program is to provide financial assistance to state and local education agencies to meet the special needs of educationally deprived children.

Preschool Disabilities Grant The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Title IIA - Improving Teacher Quality This fund accounts for funds received to achieve academic achievement by improving teacher quality. This will be accomplished by increasing the number of highly qualified teachers in classrooms.

Miscellaneous Federal Grants This fund is used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust.

Building Fund The Building Fund is a capital projects fund that is used to account for the proceeds from the issuance of School Improvement Bonds and Certificates of Participation to be used for the school facility upgrades.

Permanent Improvement This fund accounts for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

Nonmajor Debt Service Fund

Bond Retirement Fund This fund provides for the retirement of serial bonds and short-term loans. All revenue derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on bonds or loans shall be paid into this fund.



CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Government Funds

June 30, 2020

	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Debt Service	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 899,225	\$ 11,129,442	\$ 1,863,418	\$ 13,892,085
Intergovernmental receivable	1,094,293	-	-	1,094,293
Taxes receivable	-	3,505,613	5,787,507	9,293,120
Total assets	<u>\$ 1,993,518</u>	<u>\$ 14,635,055</u>	<u>\$ 7,650,925</u>	<u>\$ 24,279,498</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ 379,227	\$ 1,038,465	\$ -	\$ 1,417,692
Accrued wages and benefits	291,022	-	-	291,022
Matured compensated absences	8,196	-	-	8,196
Interfund payable	324,958	-	-	324,958
Intergovernmental payable	61,906	-	-	61,906
Total liabilities	<u>1,065,309</u>	<u>1,038,465</u>	<u>-</u>	<u>2,103,774</u>
Deferred inflows of resources:				
Property taxes	-	2,603,188	4,357,101	6,960,289
Unavailable revenue	798,374	642,386	975,053	2,415,813
Deferred inflows of resources	<u>798,374</u>	<u>3,245,574</u>	<u>5,332,154</u>	<u>9,376,102</u>
Fund balances:				
Restricted	598,573	10,351,016	2,318,771	13,268,360
Unassigned	(468,738)	-	-	(468,738)
Total fund balances	<u>129,835</u>	<u>10,351,016</u>	<u>2,318,771</u>	<u>12,799,622</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,993,518</u>	<u>\$ 14,635,055</u>	<u>\$ 7,650,925</u>	<u>\$ 24,279,498</u>

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Government Funds

For the Fiscal Year Ended June 30, 2020

	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Debt Service	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ -	\$ 2,883,330	\$ 4,889,083	\$ 7,772,413
Intergovernmental	9,564,203	437,579	205,613	10,207,395
Grants	199,282	-	-	199,282
Earnings on investments	7,234	254,754	-	261,988
Extracurricular activities	132,628	-	-	132,628
Miscellaneous	71,582	-	-	71,582
Total revenues	<u>9,974,929</u>	<u>3,575,663</u>	<u>5,094,696</u>	<u>18,645,288</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,998,759	14,468	-	2,013,227
Special	2,093,131	-	-	2,093,131
Vocational	155,397	-	-	155,397
Other	4,447	-	-	4,447
Support services:				
Pupil	1,234,058	-	-	1,234,058
Instructional staff	678,236	-	-	678,236
Administration	590,102	-	-	590,102
Fiscal	52,028	50,484	94,622	197,134
Business	11,175	-	-	11,175
Operations and maintenance of plant	25,139	2,007,044	-	2,032,183
Pupil transportation	28,566	-	-	28,566
Central	75,215	-	-	75,215
Operation of non-instructional services:				
Community services	3,014,139	-	-	3,014,139
Extracurricular activities	432,630	-	-	432,630
Facilities acquisition and construction services	-	4,485,192	-	4,485,192
Debt service:				
Principal	-	5,970,000	829,207	6,799,207
Interest and fiscal charges	-	765,944	6,157,731	6,923,675
Total expenditures	<u>10,393,022</u>	<u>13,293,132</u>	<u>7,081,560</u>	<u>30,767,714</u>
Excess of revenues (under) over expenditures	<u>(418,093)</u>	<u>(9,717,469)</u>	<u>(1,986,864)</u>	<u>(12,122,426)</u>
Other financing sources (uses):				
Transfers – in	290,595	-	-	290,595
Transfers – out	<u>(13,025)</u>	<u>-</u>	<u>-</u>	<u>(13,025)</u>
Total other financing sources (uses)	<u>277,570</u>	<u>-</u>	<u>-</u>	<u>277,570</u>
Net change in fund balance	(140,523)	(9,717,469)	(1,986,864)	(11,844,856)
Fund balance at beginning of year	<u>270,358</u>	<u>20,068,485</u>	<u>4,305,635</u>	<u>24,644,478</u>
Fund balance at end of year	<u>\$ 129,835</u>	<u>\$ 10,351,016</u>	<u>\$ 2,318,771</u>	<u>\$ 12,799,622</u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds

June 30, 2020

	Other Grants	District Managed Activity	Auxiliary Services	Public School Preschool Grant
Assets:				
Equity in pooled cash and investments	\$ 163,730	\$ 130,918	\$ 586,229	\$ -
Intergovernmental receivable	70,519	-	-	10,021
Total assets	<u>\$ 234,249</u>	<u>\$ 130,918</u>	<u>\$ 586,229</u>	<u>\$ 10,021</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ 12,638	\$ 237,661	\$ -
Accrued wages and benefits	7,336	-	-	14,528
Matured compensated absences	-	-	-	-
Interfund payable	108,745	-	-	5,941
Intergovernmental payable	1,821	-	-	2,510
Total liabilities	<u>117,902</u>	<u>12,638</u>	<u>237,661</u>	<u>22,979</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	4,080
Fund balances:				
Restricted	116,347	118,280	348,568	-
Unassigned	-	-	-	(17,038)
Total fund balances (deficit)	<u>116,347</u>	<u>118,280</u>	<u>348,568</u>	<u>(17,038)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 234,249</u>	<u>\$ 130,918</u>	<u>\$ 586,229</u>	<u>\$ 10,021</u>

<u>Data Communication</u>	<u>Student Wellness and Success</u>	<u>Miscellaneous State Grants</u>	<u>Elementary and Secondary School Emergency Relief</u>	<u>IDEA (Flo-Thru)</u>
\$ 17,892	\$ -	\$ 456	\$ -	\$ -
-	-	-	-	308,726
<u>\$ 17,892</u>	<u>\$ -</u>	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ 308,726</u>
\$ 11,067	\$ -	\$ -	\$ -	\$ 30,384
-	-	-	-	79,448
-	-	-	-	8,196
-	-	-	-	67,288
-	-	-	-	22,639
<u>11,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,955</u>
-	-	-	-	241,439
6,825	-	456	-	-
-	-	-	-	(140,668)
<u>6,825</u>	<u>-</u>	<u>456</u>	<u>-</u>	<u>(140,668)</u>
<u>\$ 17,892</u>	<u>\$ -</u>	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ 308,726</u>

Continued

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

June 30, 2020

	Vocational Education	Title I Improvement	Title III	Title I
Assets:				
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivable	40,848	-	234	572,207
Total assets	<u>\$ 40,848</u>	<u>\$ -</u>	<u>\$ 234</u>	<u>\$ 572,207</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable	\$ 12,081	\$ -	\$ -	\$ 63,813
Accrued wages and benefits	-	-	-	164,600
Matured compensated absences	-	-	-	-
Interfund payable	10,384	-	234	92,179
Intergovernmental payable	1,602	138	4	26,191
Total liabilities	<u>24,067</u>	<u>138</u>	<u>238</u>	<u>346,783</u>
Deferred inflows of resources:				
Unavailable revenue	<u>30,464</u>	<u>-</u>	<u>-</u>	<u>480,027</u>
Fund balances:				
Restricted	-	-	-	-
Unassigned	<u>(13,683)</u>	<u>(138)</u>	<u>(4)</u>	<u>(254,603)</u>
Total fund balances (deficit)	<u>(13,683)</u>	<u>(138)</u>	<u>(4)</u>	<u>(254,603)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,848</u>	<u>\$ -</u>	<u>\$ 234</u>	<u>\$ 572,207</u>

Preschool Disabilities Grant	Title IIA- Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue
\$ -	\$ -	\$ -	\$ 899,225
-	20,591	71,147	1,094,293
<u>\$ -</u>	<u>\$ 20,591</u>	<u>\$ 71,147</u>	<u>\$ 1,993,518</u>
\$ -	\$ 252	\$ 11,331	\$ 379,227
6,200	817	18,093	291,022
-	-	-	8,196
-	1,036	39,151	324,958
<u>1,027</u>	<u>21</u>	<u>5,953</u>	<u>61,906</u>
<u>7,227</u>	<u>2,126</u>	<u>74,528</u>	<u>1,065,309</u>
-	10,368	31,996	798,374
-	8,097	-	598,573
<u>(7,227)</u>	<u>-</u>	<u>(35,377)</u>	<u>(468,738)</u>
<u>(7,227)</u>	<u>8,097</u>	<u>(35,377)</u>	<u>129,835</u>
<u>\$ -</u>	<u>\$ 20,591</u>	<u>\$ 71,147</u>	<u>\$ 1,993,518</u>

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2020

	Other Grants	District Managed Activity	Auxiliary Services	Public School Preschool Grant
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 2,695,765	\$ 134,125
Grants	199,282	-	-	-
Earnings on investments	-	-	7,234	-
Extracurricular activities	-	132,628	-	-
Miscellaneous	42,000	29,582	-	-
Total revenues	<u>241,282</u>	<u>162,210</u>	<u>2,702,999</u>	<u>134,125</u>
Expenditures:				
Current:				
Instruction:				
Regular	255,704	-	-	148,552
Special	-	-	-	-
Vocational	1,103	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	1,444	-	-
Instructional staff	30,815	-	-	-
Administration	207	-	-	-
Fiscal	-	-	-	-
Business	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	2,839	-	-	-
Central	34,675	-	-	-
Operation of non-instructional services:				
Community services	20,356	-	2,478,436	-
Extracurricular activities	410	432,220	-	-
Total expenditures	<u>346,109</u>	<u>433,664</u>	<u>2,478,436</u>	<u>148,552</u>
Excess of revenues over (under) expenditures	<u>(104,827)</u>	<u>(271,454)</u>	<u>224,563</u>	<u>(14,427)</u>
Other financing sources (uses):				
Transfers – in	-	290,595	-	-
Transfers – out	(13,025)	-	-	-
Total other financing sources (uses)	<u>(13,025)</u>	<u>290,595</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(117,852)	19,141	224,563	(14,427)
Fund balance (deficit) at beginning of year	<u>234,199</u>	<u>99,139</u>	<u>124,005</u>	<u>(2,611)</u>
Fund balance (deficit) at end of year	<u>\$ 116,347</u>	<u>\$ 118,280</u>	<u>\$ 348,568</u>	<u>\$ (17,038)</u>

<u>Data Communication</u>	<u>Student Wellness and Success</u>	<u>Miscellaneous State Grants</u>	<u>Elementary and Secondary School Emergency Relief</u>	<u>IDEA (Flo-Thru)</u>
\$ 18,000	\$ 779,501	\$ 31,343	\$ 1,197,813	\$ 1,476,650
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>18,000</u>	<u>779,501</u>	<u>31,343</u>	<u>1,197,813</u>	<u>1,476,650</u>
-	-	2,153	1,197,813	-
-	-	-	-	834,254
-	-	-	-	-
-	-	-	-	4,447
-	779,501	-	-	251,159
-	-	6,075	-	-
-	-	-	-	418,133
-	-	-	-	33,980
11,175	-	-	-	-
-	-	25,139	-	-
-	-	-	-	-
-	-	-	-	-
-	-	20	-	66,391
-	-	-	-	-
<u>11,175</u>	<u>779,501</u>	<u>33,387</u>	<u>1,197,813</u>	<u>1,608,364</u>
<u>6,825</u>	<u>-</u>	<u>(2,044)</u>	<u>-</u>	<u>(131,714)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,825	-	(2,044)	-	(131,714)
-	-	2,500	-	(8,954)
<u>\$ 6,825</u>	<u>\$ -</u>	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ (140,668)</u>

Continued

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended June 30, 2020

	Vocational Education	Title I Improvement	Title III	Title I
Revenues:				
Intergovernmental	\$ 222,768	\$ 49,787	\$ 13,039	\$ 1,778,397
Grants	-	-	-	-
Earnings on investments	-	-	-	-
Extracurricular activities	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>222,768</u>	<u>49,787</u>	<u>13,039</u>	<u>1,778,397</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	6,877	1,219,362
Vocational	154,294	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	78,988	27,833	406	304,122
Administration	787	-	-	81,973
Fiscal	-	-	346	-
Business	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	2,545
Central	-	-	-	-
Operation of non-instructional services:				
Community services	-	2,009	4,342	313,434
Extracurricular activities	-	-	-	-
Total expenditures	<u>234,069</u>	<u>29,842</u>	<u>11,971</u>	<u>1,921,436</u>
Excess of revenues over (under) expenditures	<u>(11,301)</u>	<u>19,945</u>	<u>1,068</u>	<u>(143,039)</u>
Other financing sources (uses):				
Transfers – in	-	-	-	-
Transfers – out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(11,301)	19,945	1,068	(143,039)
Fund balance (deficit) at beginning of year	<u>(2,382)</u>	<u>(20,083)</u>	<u>(1,072)</u>	<u>(111,564)</u>
Fund balance (deficit) at end of year	<u>\$ (13,683)</u>	<u>\$ (138)</u>	<u>\$ (4)</u>	<u>\$ (254,603)</u>

Preschool Disabilities Grant	Title IIA- Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue
\$ 28,831	\$ 197,401	\$ 940,783	\$ 9,564,203
-	-	-	199,282
-	-	-	7,234
-	-	-	132,628
-	-	-	71,582
<u>28,831</u>	<u>197,401</u>	<u>940,783</u>	<u>9,974,929</u>
-	-	394,537	1,998,759
32,638	-	-	2,093,131
-	-	-	155,397
-	-	-	4,447
-	-	201,954	1,234,058
-	121,742	108,255	678,236
-	-	89,002	590,102
-	5,027	12,675	52,028
-	-	-	11,175
-	-	-	25,139
-	-	23,182	28,566
-	10,540	30,000	75,215
-	56,230	72,921	3,014,139
-	-	-	432,630
<u>32,638</u>	<u>193,539</u>	<u>932,526</u>	<u>10,393,022</u>
<u>(3,807)</u>	<u>3,862</u>	<u>8,257</u>	<u>(418,093)</u>
-	-	-	290,595
-	-	-	(13,025)
-	-	-	277,570
(3,807)	3,862	8,257	(140,523)
<u>(3,420)</u>	<u>4,235</u>	<u>(43,634)</u>	<u>270,358</u>
<u>\$ (7,227)</u>	<u>\$ 8,097</u>	<u>\$ (35,377)</u>	<u>\$ 129,835</u>

Cleveland Heights-University Heights City School District

Combining Balance Sheet Nonmajor Capital Projects Funds

June 30, 2020

	<u>Building</u>	<u>Permanent Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 5,008,779	\$ 6,120,663	\$ 11,129,442
Taxes receivable	-	3,505,613	3,505,613
Total assets	<u>\$ 5,008,779</u>	<u>\$ 9,626,276</u>	<u>\$ 14,635,055</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable	\$ 592,089	\$ 446,376	\$ 1,038,465
Deferred inflows of resources:			
Property taxes	-	2,603,188	2,603,188
Unavailable revenue	-	642,386	642,386
Deferred inflows of resources	<u>-</u>	<u>3,245,574</u>	<u>3,245,574</u>
Fund balances:			
Restricted	<u>4,416,690</u>	<u>5,934,326</u>	<u>10,351,016</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,008,779</u>	<u>\$ 9,626,276</u>	<u>\$ 14,635,055</u>

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds

For the Fiscal Year Ended June 30, 2020

	Building	Permanent Improvement	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$ -	\$ 2,883,330	\$ 2,883,330
Intergovernmental	-	437,579	437,579
Earnings on investments	110,577	144,177	254,754
Total revenues	110,577	3,465,086	3,575,663
Expenditures:			
Current:			
Instruction:			
Regular	14,468	-	14,468
Support services:			
Fiscal	-	50,484	50,484
Operations and maintenance of plant	-	2,007,044	2,007,044
Facilities acquisition and construction services	4,485,192	-	4,485,192
Debt service:			
Principal	-	5,970,000	5,970,000
Interest and fiscal charges	-	765,944	765,944
Total expenditures	4,499,660	8,793,472	13,293,132
Net change in fund balance	(4,389,083)	(5,328,386)	(9,717,469)
Fund balance at beginning of year	8,805,773	11,262,712	20,068,485
Fund balance at end of year	\$ 4,416,690	\$ 5,934,326	\$ 10,351,016

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual



Angel Jackson
Gr 3 Gearity Elementary

CLEVELAND UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



Cleveland Heights-University Heights City School District

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 74,407,546	\$ 72,560,586	\$ 76,052,165	\$ 3,491,579
Intergovernmental	28,534,847	28,363,637	30,622,761	2,259,124
Tuition and fees	3,900,537	3,877,133	4,185,941	308,808
Earnings on investments	735,465	731,052	789,279	58,227
Miscellaneous	2,648,330	2,632,441	2,842,111	209,670
Total revenues	<u>110,226,725</u>	<u>108,164,849</u>	<u>114,492,257</u>	<u>6,327,408</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	26,427,427	26,427,427	26,068,115	359,312
Employee benefits	13,564,100	13,564,100	12,183,809	1,380,291
Purchased services	421,534	421,534	374,156	47,378
Supplies and materials	1,288,379	1,288,379	868,489	419,890
Capital outlay	19,141	19,141	37,181	(18,040)
Other	177,000	177,000	74,622	102,378
Total regular	<u>41,897,581</u>	<u>41,897,581</u>	<u>39,606,372</u>	<u>2,291,209</u>
Special:				
Salaries and wages	10,190,500	10,190,500	10,726,037	(535,537)
Employee benefits	4,853,600	4,853,600	5,168,812	(315,212)
Purchased services	14,294,070	14,294,070	14,380,409	(86,339)
Supplies and materials	74,807	74,807	54,859	19,948
Capital outlay	4,104	4,104	4,906	(802)
Other	62,790	62,790	43,825	18,965
Total special	<u>29,479,871</u>	<u>29,479,871</u>	<u>30,378,848</u>	<u>(898,977)</u>
Vocational:				
Salaries and wages	1,710,600	1,710,600	1,221,498	489,102
Employee benefits	655,900	655,900	538,361	117,539
Purchased services	9,580	9,580	8,672	908
Supplies and materials	77,371	77,371	59,572	17,799
Capital outlay	26,500	26,500	38,748	(12,248)
Other	36,549	36,549	37,400	(851)
Total vocational	<u>2,516,500</u>	<u>2,516,500</u>	<u>1,904,251</u>	<u>612,249</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other:				
Salaries and wages	223,100	223,100	235,920	(12,820)
Employee benefits	51,500	51,500	41,390	10,110
Purchased services	4,247,100	4,247,100	4,629,123	(382,023)
Supplies and materials	14,267	14,267	223	14,044
Other	133	133	314	(181)
Total other	4,536,100	4,536,100	4,906,970	(370,870)
Total instruction	78,430,052	78,430,052	76,796,441	1,633,611
Support services:				
Pupil:				
Salaries and wages	5,404,920	5,404,920	4,575,518	829,402
Employee benefits	2,393,120	2,393,120	2,113,056	280,064
Purchased services	228,128	228,128	163,986	64,142
Supplies and materials	63,358	63,358	67,991	(4,633)
Other	22,587	22,587	21,018	1,569
Total pupil	8,112,113	8,112,113	6,941,569	1,170,544
Instructional staff:				
Salaries and wages	3,180,100	3,180,100	3,042,232	137,868
Employee benefits	167,700	167,700	1,307,396	(1,139,696)
Purchased services	402,171	402,171	148,458	253,713
Supplies and materials	102,411	102,411	78,222	24,189
Other	2,992	2,992	4,719	(1,727)
Total instructional staff	3,855,374	3,855,374	4,581,027	(725,653)
Board of education:				
Salaries and wages	28,900	28,900	17,125	11,775
Employee benefits	5,300	5,300	4,064	1,236
Purchased services	844,195	844,195	989,529	(145,334)
Supplies and materials	13,000	13,000	10,170	2,830
Other	7,074	7,074	7,074	-
Total board of education	898,469	898,469	1,027,962	(129,493)
Administration:				
Salaries and wages	4,174,817	4,174,817	3,789,852	384,965
Employee benefits	2,177,000	2,177,000	2,007,046	169,954
Purchased services	389,637	389,637	215,067	174,570
Supplies and materials	137,926	137,926	112,566	25,360
Capital outlay	1,500	1,500	4,338	(2,838)
Other	42,002	42,002	28,598	13,404
Total administration	6,922,882	6,922,882	6,157,467	765,415

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Salaries and wages	916,100	916,100	896,179	19,921
Employee benefits	469,600	469,600	455,063	14,537
Purchased services	457,500	457,500	240,593	216,907
Supplies and materials	54,000	54,000	31,581	22,419
Capital outlay	25,000	25,000	-	25,000
Other	1,255,500	1,255,500	1,271,144	(15,644)
Total fiscal	<u>3,177,700</u>	<u>3,177,700</u>	<u>2,894,560</u>	<u>283,140</u>
Business:				
Salaries and wages	64,154	64,154	125,033	(60,879)
Employee benefits	26,700	26,700	68,830	(42,130)
Purchased services	343,383	343,383	272,975	70,408
Supplies and materials	18,500	18,500	8,165	10,335
Other	466,336	466,336	462,375	3,961
Total business	<u>919,073</u>	<u>919,073</u>	<u>937,378</u>	<u>(18,305)</u>
Operations and maintenance of plant:				
Salaries and wages	4,350,296	4,350,296	4,506,330	(156,034)
Employee benefits	2,826,400	2,826,400	2,871,293	(44,893)
Purchased services	2,713,484	2,713,484	2,710,564	2,920
Supplies and materials	780,898	780,898	791,798	(10,900)
Capital outlay	50,000	50,000	46,250	3,750
Other	44,200	44,200	16,028	28,172
Total operations and maintenance of plant	<u>10,765,278</u>	<u>10,765,278</u>	<u>10,942,263</u>	<u>(176,985)</u>
Pupil transportation:				
Salaries and wages	1,759,700	1,759,700	1,807,229	(47,529)
Employee benefits	983,500	983,500	1,213,702	(230,202)
Purchased services	1,032,104	1,032,104	691,100	341,004
Supplies and materials	340,873	340,873	295,689	45,184
Capital outlay	1,500	1,500	-	1,500
Other	3,600	3,600	2,160	1,440
Total pupil transportation	<u>4,121,277</u>	<u>4,121,277</u>	<u>4,009,880</u>	<u>111,397</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and wages	1,245,434	1,245,434	1,377,016	(131,582)
Employee benefits	846,565	846,565	837,802	8,763
Purchased services	846,545	846,545	723,819	122,726
Supplies and materials	402,580	402,580	375,376	27,204
Capital outlay	566,902	566,902	564,060	2,842
Other	34,615	34,615	22,993	11,622
Total central	<u>3,942,641</u>	<u>3,942,641</u>	<u>3,901,066</u>	<u>41,575</u>
Total support services	<u>42,714,807</u>	<u>42,714,807</u>	<u>41,393,172</u>	<u>1,321,635</u>
Operation of non-instructional services:				
Community services:				
Employee benefits	-	-	325	(325)
Purchased services	33,500	33,500	30,250	3,250
Total operation of non-instructional services	<u>33,500</u>	<u>33,500</u>	<u>30,575</u>	<u>2,925</u>
Extracurricular activities:				
Academic and subject oriented:				
Salaries and wages	194,900	194,900	186,244	8,656
Employee benefits	47,100	47,100	43,462	3,638
Purchased services	1,285	1,285	756	529
Supplies and materials	800	800	1,201	(401)
Other	2,615	2,615	2,237	378
Total academic and subject oriented	<u>246,700</u>	<u>246,700</u>	<u>233,900</u>	<u>12,800</u>
Occupational oriented:				
Salaries and wages	2,700	2,700	4,809	(2,109)
Fringe benefits	700	700	793	(93)
Total occupational oriented	<u>3,400</u>	<u>3,400</u>	<u>5,602</u>	<u>(2,202)</u>

Continued

Cleveland Heights-University Heights City School District

General Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sports oriented:				
Salaries and wages	604,100	604,100	619,630	(15,530)
Employee benefits	123,800	123,800	178,860	(55,060)
Purchased services	6,500	6,500	5,964	536
Supplies and materials	4,140	4,140	4,222	(82)
Other	15,300	15,300	15,350	(50)
Total sports oriented	<u>753,840</u>	<u>753,840</u>	<u>824,026</u>	<u>(70,186)</u>
Co-curricular activities:				
Salaries and wages	64,500	64,500	73,641	(9,141)
Employee benefits	13,700	13,700	12,175	1,525
Purchased services	9,000	9,000	9,000	-
Other	1,850	1,850	1,850	-
Total co-curricular activities	<u>89,050</u>	<u>89,050</u>	<u>96,666</u>	<u>(7,616)</u>
Total extracurricular activities	<u>1,092,990</u>	<u>1,092,990</u>	<u>1,160,194</u>	<u>(67,204)</u>
Total expenditures	<u>122,271,349</u>	<u>122,271,349</u>	<u>119,380,382</u>	<u>2,890,967</u>
Excess of revenues (under) over expenditures	<u>(12,044,624)</u>	<u>(14,106,500)</u>	<u>(4,888,125)</u>	<u>9,218,375</u>
Other financing sources (uses):				
Proceeds from sale of assets	374	371	401	30
Transfers – in	98,241	98,132	24,826	(73,306)
Transfers – out	(275,000)	(275,000)	(296,426)	(21,426)
Advances – in	2,247,825	2,234,338	2,412,300	177,962
Advances – out	(2,030,000)	(2,030,000)	(108,745)	1,921,255
Total other financing sources (uses)	<u>41,440</u>	<u>27,841</u>	<u>2,032,356</u>	<u>2,004,515</u>
Net change in fund balance	(12,003,184)	(14,078,659)	(2,855,769)	11,222,890
Fund balance at beginning of year	12,973,399	12,973,399	12,973,399	-
Prior year encumbrances appropriated	<u>3,396,348</u>	<u>3,396,348</u>	<u>3,396,348</u>	-
Fund balance at end of year	\$ <u>4,366,563</u>	\$ <u>2,291,088</u>	\$ <u>13,513,978</u>	\$ <u>11,222,890</u>

Cleveland Heights-University Heights City School District

Special Trust Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 40,000	\$ 40,000	\$ 32,110	\$ (7,890)
Expenditures:				
Current:				
Regular education:				
Supplies and materials	-	-	267	(267)
Instructional staff:				
Supplies and materials	-	-	2,500	(2,500)
Extracurricular activities:				
Co-curricular activities:				
Other	80,000	80,000	33,464	46,536
Total expenditures	80,000	80,000	36,231	43,769
Net change in fund balance	(40,000)	(40,000)	(4,121)	35,879
Fund balance at beginning of year	82,619	82,619	82,619	-
Fund balance at end of year	\$ 42,619	\$ 42,619	\$ 78,498	\$ 35,879

Note: The above fund is combined with the General Fund for GASB 54 financial reporting purposes.

Cleveland Heights-University Heights City School District

Public School Support Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 61,958	\$ 61,958	\$ 60,065	\$ (1,893)
Classroom materials and fees	4,142	4,142	4,016	(126)
Miscellaneous	58,901	58,901	56,893	(2,008)
Total revenues	<u>125,001</u>	<u>125,001</u>	<u>120,974</u>	<u>(4,027)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased services	130,723	130,723	42,733	87,990
Supplies and materials	39,317	39,317	4,964	34,353
Other	3,200	3,200	593	2,607
Total regular	<u>173,240</u>	<u>173,240</u>	<u>48,290</u>	<u>124,950</u>
Special:				
Supplies and materials	4,041	4,041	2,162	1,879
Other	-	-	1,000	(1,000)
Total special	<u>4,041</u>	<u>4,041</u>	<u>3,162</u>	<u>879</u>
Vocational:				
Purchased services	-	-	312	(312)
Total instruction	<u>177,281</u>	<u>177,281</u>	<u>51,764</u>	<u>125,517</u>
Support services:				
Pupil:				
Purchased services	15,412	15,412	7,141	8,271
Supplies and materials	37,008	37,008	29,989	7,019
Capital outlay	-	-	1,180	(1,180)
Other	5,221	5,221	595	4,626
Total pupil	<u>57,641</u>	<u>57,641</u>	<u>38,905</u>	<u>18,736</u>
Instructional staff:				
Purchased services	7,300	7,300	-	7,300
Supplies and materials	-	-	1,025	(1,025)
Total instructional staff	<u>7,300</u>	<u>7,300</u>	<u>1,025</u>	<u>6,275</u>

Continued

Cleveland Heights-University Heights City School District

Public School Support Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Purchased services	6,895	6,895	1,643	5,252
Supplies and materials	2,351	2,351	991	1,360
Other	1,325	1,325	626	699
Total administration	<u>10,571</u>	<u>10,571</u>	<u>3,260</u>	<u>7,311</u>
Total support services	<u>75,512</u>	<u>75,512</u>	<u>43,190</u>	<u>32,322</u>
Extracurricular activities:				
Academic and subject oriented:				
Other	<u>308</u>	<u>308</u>	<u>473</u>	<u>(165)</u>
Co-curricular activities:				
Purchased services	2,477	2,477	300	2,177
Supplies and materials	10,456	10,456	1,008	9,448
Capital outlay	-	-	708	(708)
Other	500	500	-	500
Total co-curricular activities	<u>13,433</u>	<u>13,433</u>	<u>2,016</u>	<u>11,417</u>
Total extracurricular activities	<u>13,741</u>	<u>13,741</u>	<u>2,489</u>	<u>11,252</u>
Total expenditures	<u>266,534</u>	<u>266,534</u>	<u>97,443</u>	<u>169,091</u>
Excess of revenues (under) over expenditures	(141,533)	(141,533)	23,531	165,064
Other financing uses:				
Transfers – out	<u>(400)</u>	<u>(400)</u>	<u>(6,552)</u>	<u>(6,152)</u>
Net change in fund balance	(141,933)	(141,933)	16,979	158,912
Fund balance at beginning of year	150,233	150,233	150,233	-
Prior year encumbrances appropriated	<u>16,934</u>	<u>16,934</u>	<u>16,934</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,234</u>	<u>\$ 25,234</u>	<u>\$ 184,146</u>	<u>\$ 158,912</u>

Cleveland Heights-University Heights City School District

Building Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investment	\$ 1,700,000	\$ 1,700,000	\$ 110,577	\$ (1,589,423)
Expenditures:				
Current:				
Instruction:				
Regular:				
Capital outlay	13,035	13,035	13,252	(217)
Other	996	996	1,216	(220)
Total instruction	14,031	14,031	14,468	(437)
Facilities acquisition and construction services:				
Architecture and engineering services:				
Purchased services	10,219,988	10,219,988	7,599,778	2,620,210
Other	7,741	7,741	6,084	1,657
Total architecture and engineering services	10,227,729	10,227,729	7,605,862	2,621,867
Building acquisition and construction services:				
Purchased services	421,810	421,810	433,074	(11,264)
Capital outlay	418,859	418,859	460,649	(41,790)
Total building acquisition and construction services	840,669	840,669	893,723	(53,054)
Building improvement services:				
Capital outlay	11,229	11,229	11,229	-

Continued

Cleveland Heights-University Heights City School District

Building Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other facilities acquisition and construction services:				
Purchased services	600	600	600	-
Supplies and materials	28,681	28,681	21,006	7,675
Other	-	-	1,405	(1,405)
Total other facilities acquisition and construction services	29,281	29,281	23,011	6,270
Total facilities acquisition and construction services	11,108,908	11,108,908	8,533,825	2,575,083
Total expenditures	11,122,939	11,122,939	8,548,293	2,574,646
Net change in fund balance	(9,422,939)	(9,422,939)	(8,437,716)	985,223
Fund balance at beginning of year	3,419,387	3,419,387	3,419,387	-
Prior year encumbrances appropriated	7,722,941	7,722,941	7,722,941	-
Fund balance at end of year	\$ 1,719,389	\$ 1,719,389	\$ 2,704,612	\$ 985,223

Cleveland Heights-University Heights City School District

Permanent Improvement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 3,110,273	\$ 3,035,020	\$ 3,246,693	\$ 211,673
Intergovernmental	944,294	933,545	437,579	(495,966)
Total revenues	<u>4,054,567</u>	<u>3,968,565</u>	<u>3,684,272</u>	<u>(284,293)</u>
Expenditures:				
Current:				
Support services:				
Fiscal:				
Other	<u>73,600</u>	<u>73,600</u>	<u>50,484</u>	<u>23,116</u>
Operations and maintenance of plant:				
Purchased services	683,089	683,089	382,211	300,878
Capital outlay	5,320,063	5,320,063	3,788,684	1,531,379
Other	<u>9,843</u>	<u>9,843</u>	<u>7,586</u>	<u>2,257</u>
Total operations and maintenance of plant	<u>6,012,995</u>	<u>6,012,995</u>	<u>4,178,481</u>	<u>1,834,514</u>
Total support services	<u>6,086,595</u>	<u>6,086,595</u>	<u>4,228,965</u>	<u>1,857,630</u>
Debt service:				
Principal	900,000	900,000	470,000	430,000
Interest and fiscal charges	<u>444,400</u>	<u>444,400</u>	<u>765,944</u>	<u>(321,544)</u>
Total debt service	<u>1,344,400</u>	<u>1,344,400</u>	<u>1,235,944</u>	<u>108,456</u>
Total expenditures	<u>7,430,995</u>	<u>7,430,995</u>	<u>5,464,909</u>	<u>1,966,086</u>
Net change in fund balance	(3,376,428)	(3,462,430)	(1,780,637)	1,681,793
Fund balance at beginning of year	3,490,907	3,490,907	3,490,907	-
Prior year encumbrances appropriated	<u>2,431,000</u>	<u>2,431,000</u>	<u>2,431,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,545,479</u>	<u>\$ 2,459,477</u>	<u>\$ 4,141,270</u>	<u>\$ 1,681,793</u>

Cleveland Heights-University Heights City School District

Other Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Grants	\$ 241,967	\$ 241,967	\$ 199,282	\$ (42,685)
Miscellaneous	50,996	50,996	42,000	(8,996)
Total revenues	<u>292,963</u>	<u>292,963</u>	<u>241,282</u>	<u>(51,681)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	75,000	75,000	53,882	21,118
Employee benefits	27,500	27,500	26,153	1,347
Purchased services	200,937	200,937	59,584	141,353
Supplies and materials	113,262	113,262	66,065	47,197
Capital outlay	102,332	102,332	66,350	35,982
Other	11,485	11,485	1,806	9,679
Total regular	<u>530,516</u>	<u>530,516</u>	<u>273,840</u>	<u>256,676</u>
Special:				
Purchased services	25,500	25,500	-	25,500
Vocational:				
Supplies and materials	1,062	1,062	1,103	(41)
Capital outlay	147	147	-	147
Other	6	6	-	6
Total vocation	<u>1,215</u>	<u>1,215</u>	<u>1,103</u>	<u>112</u>
Total instruction	<u>557,231</u>	<u>557,231</u>	<u>274,943</u>	<u>282,288</u>
Support services:				
Instructional staff:				
Salaries and wages	-	-	2,145	(2,145)
Employee benefits	-	-	313	(313)
Purchased services	122,280	122,280	106,298	15,982
Total instructional staff	<u>122,280</u>	<u>122,280</u>	<u>108,756</u>	<u>13,524</u>
Administration:				
Purchased services	3,662	3,662	-	3,662
Supplies and materials	2,858	2,858	162	2,696
Other	300	300	45	255
Total administration	<u>6,820</u>	<u>6,820</u>	<u>207</u>	<u>6,613</u>

Continued

Cleveland Heights-University Heights City School District

Other Grants Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil transportation:				
Purchased services	8,549	8,549	5,772	2,777
Central:				
Purchased services	6,000	6,000	34,675	(28,675)
Total support services	143,649	143,649	149,410	(5,761)
Operation of non-instructional services:				
Community services:				
Salaries and wages	6,200	6,200	402	5,798
Employee benefits	400	400	63	337
Purchased services	45,226	45,226	28,333	16,893
Total community services	51,826	51,826	28,798	23,028
Extracurricular activities:				
Purchased services	269	269	224	45
Supplies and materials	224	224	186	38
Total extracurricular activities	493	493	410	83
Total expenditures	753,199	753,199	453,561	299,638
Excess of revenues (under) over expenditures	(460,236)	(460,236)	(212,279)	247,957
Other financing sources (uses):				
Transfers – out	-	-	(13,025)	(13,025)
Advances – in	132,037	132,037	108,745	(23,292)
Advances – out	-	-	(190,500)	(190,500)
Total other financing sources (uses)	132,037	132,037	(94,780)	(226,817)
Net change in fund balance	(328,199)	(328,199)	(307,059)	21,140
Fund balance at beginning of year	130,665	130,665	130,665	-
Prior year encumbrances appropriated	203,198	203,198	203,198	-
Fund balance at end of year	\$ 5,664	\$ 5,664	\$ 26,804	\$ 21,140

Cleveland Heights-University Heights City School District

District Managed Activity Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Extracurricular activities	\$ 146,451	\$ 146,451	\$ 132,628	\$ (13,823)
Miscellaneous	31,746	31,746	29,582	(2,164)
Total revenues	<u>178,197</u>	<u>178,197</u>	<u>162,210</u>	<u>(15,987)</u>
Expenditures:				
Current:				
Support services:				
Pupil:				
Supplies and materials	1,621	1,621	1,000	621
Other	300	300	626	(326)
Total pupil	<u>1,921</u>	<u>1,921</u>	<u>1,626</u>	<u>295</u>
Extracurricular activities:				
Salaries and wages	176,600	176,600	-	176,600
Purchased services	210,270	210,270	198,396	11,874
Supplies and materials	175,167	175,167	180,990	(5,823)
Capital outlay	22,500	22,500	68,913	(46,413)
Other	8,473	8,473	18,052	(9,579)
Total extracurricular activities	<u>593,010</u>	<u>593,010</u>	<u>466,351</u>	<u>126,659</u>
Total expenditures	<u>594,931</u>	<u>594,931</u>	<u>467,977</u>	<u>126,954</u>
Excess of revenues (under) over expenditures	(416,734)	(416,734)	(305,767)	110,967
Other financing sources:				
Transfers – in	<u>321,803</u>	<u>321,803</u>	<u>290,595</u>	<u>(31,208)</u>
Net change in fund balance	(94,931)	(94,931)	(15,172)	79,759
Fund balance at beginning of year	65,949	65,949	65,949	-
Prior year encumbrances appropriated	<u>34,937</u>	<u>34,937</u>	<u>34,937</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,955</u>	<u>\$ 5,955</u>	<u>\$ 85,714</u>	<u>\$ 79,759</u>

Cleveland Heights-University Heights City School District

Auxiliary Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,991,971	\$ 2,991,971	\$ 2,695,765	\$ (296,206)
Earnings on investments	8,029	8,029	7,234	(795)
Total revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,702,999</u>	<u>(297,001)</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Community services:				
Purchased services	2,704,615	2,704,615	2,264,403	440,212
Supplies and materials	492,400	492,400	492,452	(52)
Capital outlay	354,438	354,438	368,315	(13,877)
Other	22,444	22,444	20,981	1,463
Total expenditures	<u>3,573,897</u>	<u>3,573,897</u>	<u>3,146,151</u>	<u>427,746</u>
Net change in fund balance	(573,897)	(573,897)	(443,152)	130,745
Fund balance at beginning of year	13,656	13,656	13,656	-
Prior year encumbrances appropriated	<u>573,905</u>	<u>573,905</u>	<u>573,905</u>	-
Fund balance at end of year	\$ <u><u>13,664</u></u>	\$ <u><u>13,664</u></u>	\$ <u><u>144,409</u></u>	\$ <u><u>130,745</u></u>

Cleveland Heights-University Heights City School District

Public School Preschool Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 144,923	\$ (55,077)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	74,500	74,500	88,436	(13,936)
Employee benefits	45,500	45,500	56,912	(11,412)
Total instruction	120,000	120,000	145,348	(25,348)
Support services:				
Fiscal:				
Other	90,000	90,000	-	90,000
Total expenditures	210,000	210,000	145,348	64,652
Excess of revenues (under) over expenditures	(10,000)	(10,000)	(425)	9,575
Other financing uses:				
Advances – out	-	-	(30,000)	(30,000)
Net change in fund balance	(10,000)	(10,000)	(30,425)	(20,425)
Fund balance at beginning of year	24,484	24,484	24,484	-
Fund balance (deficit) at end of year	\$ 14,484	\$ 14,484	\$ (5,941)	\$ (20,425)

Cleveland Heights-University Heights City School District

Data Communication Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
Expenditures:				
Current:				
Support services:				
Business:				
Purchased services	18,000	18,000	108	(17,892)
Capital outlay	-	-	17,892	17,892
Total expenditures	18,000	18,000	18,000	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

Student Wellness and Success Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 800,000	\$ 800,000	\$ 779,501	\$ (20,499)
Expenditures:				
Current:				
Support services:				
Pupil:				
Salaries and wages	685,073	685,073	685,073	-
Employee benefits	94,428	94,428	94,428	-
Total expenditures	779,501	779,501	779,501	-
Net change in fund balance	20,499	20,499	-	(20,499)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 20,499	\$ 20,499	\$ -	\$ (20,499)

Cleveland Heights-University Heights City School District

Miscellaneous State Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 31,343	\$ (18,657)
Expenditures:				
Current:				
Instruction:				
Regular:				
Supplies and materials	40,650	40,650	2,153	38,497
Support services:				
Instructional staff:				
Contractual services	9,350	9,350	6,075	3,275
Operations and maintenance of plant:				
Supplies and materials	1,000	1,000	992	8
Capital outlay	1,400	1,400	24,049	(22,649)
Other	100	100	98	2
Total operations	2,500	2,500	25,139	(22,639)
Total support services	11,850	11,850	31,214	(19,364)
Operation of non-instructional services:				
Community services:				
Purchased services	-	-	20	(20)
Total expenditures	52,500	52,500	33,387	19,113
Net change in fund balance	(2,500)	(2,500)	(2,044)	456
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	2,500	2,500	2,500	-
Fund balance at end of year	\$ -	\$ -	\$ 456	\$ 456

Cleveland Heights-University Heights City School District

Elementary and Secondary School Emergency Relief Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ 1,197,813	\$ (802,187)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	855,581	855,581	855,581	-
Employee benefits	342,232	342,232	342,232	-
Total expenditures	1,197,813	1,197,813	1,197,813	-
Net change in fund balance	802,187	802,187	-	(802,187)
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ 802,187	\$ 802,187	\$ -	\$ (802,187)

Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ 1,563,944	\$ (436,056)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	133,927	133,927	-	133,927
Special:				
Salaries and wages	502,355	502,355	378,531	123,824
Employee benefits	425,611	425,611	425,845	(234)
Contractual services	17,126	17,126	13,308	3,818
Total special	945,092	945,092	817,684	127,408
Other:				
Salaries and wages	-	-	4,790	(4,790)
Employee benefits	3,500	3,500	704	2,796
Contractual services	10,000	10,000	-	10,000
Total other	13,500	13,500	5,494	8,006
Total instruction	1,092,519	1,092,519	823,178	269,341
Support services:				
Pupil:				
Salaries and wages	210,013	210,013	173,874	36,139
Employee benefits	130,500	130,500	66,367	64,133
Purchased services	-	-	7,410	(7,410)
Total pupil	340,513	340,513	247,651	92,862
Administration:				
Salaries and wages	144,460	144,460	271,537	(127,077)
Employee benefits	138,000	138,000	144,583	(6,583)
Total administration	282,460	282,460	416,120	(133,660)
Fiscal:				
Other	-	-	33,980	(33,980)
Total support services	622,973	622,973	697,751	(74,778)

Continued

Cleveland Heights-University Heights City School District

IDEA (Flo-Thru) Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	420,937	420,937	250,157	170,780
Total expenditures	<u>2,136,429</u>	<u>2,136,429</u>	<u>1,771,086</u>	<u>365,343</u>
Excess of revenues (under) over expenditures	(136,429)	(136,429)	(207,142)	(70,713)
Other financing uses:				
Advances – out	<u>-</u>	<u>-</u>	<u>(296,800)</u>	<u>(296,800)</u>
Net change in fund balance	(136,429)	(136,429)	(503,942)	(367,513)
Fund balance at beginning of year	100,272	100,272	100,272	-
Prior year encumbrances appropriated	<u>136,431</u>	<u>136,431</u>	<u>136,431</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 100,274</u>	<u>\$ 100,274</u>	<u>\$ (267,239)</u>	<u>\$ (367,513)</u>

Cleveland Heights-University Heights City School District

Vocational Education Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 325,000	\$ 325,000	\$ 227,230	\$ (97,770)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	82,573	82,573	-	82,573
Vocational:				
Salaries and wages	68,080	68,080	64,309	3,771
Employee benefits	22,239	22,239	21,191	1,048
Purchased services	66,477	66,477	8,622	57,855
Supplies and materials	51,034	51,034	32,479	18,555
Capital outlay	55,377	55,377	37,557	17,820
Other	1,409	1,409	29	1,380
Total vocational	264,616	264,616	164,187	100,429
Total instruction	347,189	347,189	164,187	183,002
Support services:				
Instructional staff:				
Salaries and wages	6,810	6,810	552	6,258
Employee benefits	1,190	1,190	101	1,089
Purchased services	59,110	59,110	103,392	(44,282)
Total instructional staff	67,110	67,110	104,045	(36,935)
Administration:				
Purchased services	-	-	960	(960)
Total support services	67,110	67,110	105,005	(37,895)
Total expenditures	414,299	414,299	269,192	145,107
Excess of revenues (under) over expenditures	(89,299)	(89,299)	(41,962)	47,337
Other financing uses:				
Advance – out	-	-	(100,000)	(100,000)
Net change in fund balance	(89,299)	(89,299)	(141,962)	(52,663)
Fund balance at beginning of year	31,535	31,535	31,535	-
Prior year encumbrances appropriated	64,299	64,299	64,299	-
Fund balance (deficit) at end of year	\$ 6,535	\$ 6,535	\$ (46,128)	\$ (52,663)

Cleveland Heights-University Heights City School District

Title I Improvement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 49,787	\$ (450,213)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	550,000	550,000	5,551	544,449
Employee benefits	-	-	1,170	(1,170)
Purchased services	35,283	35,283	29,327	5,956
Supplies and materials	4,407	4,407	4,911	(504)
Other	2,000	2,000	-	2,000
Total support services	591,690	591,690	40,959	550,731
Operation of non-instructional services:				
Community services:				
Purchased services	18,800	18,800	150	18,650
Supplies and materials	5,246	5,246	5,899	(653)
Other	700	700	-	700
Total operation of non-instruction services	24,746	24,746	6,049	18,697
Total expenditures	616,436	616,436	47,008	569,428
Excess of revenues (under) over expenditures	(116,436)	(116,436)	2,779	119,215
Other financing uses:				
Advance – out	-	-	(125,000)	(125,000)
Net change in fund balance	(116,436)	(116,436)	(122,221)	(5,785)
Fund balance at beginning of year	55,785	55,785	55,785	-
Prior year encumbrances appropriated	66,436	66,436	66,436	-
Fund balance at end of year	\$ 5,785	\$ 5,785	\$ -	\$ (5,785)

Cleveland Heights-University Heights City School District

Title III Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 12,805	\$ (27,195)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	22,283	22,283	-	22,283
Special:				
Salaries and wages	1,100	1,100	79	1,021
Employee benefits	210	210	18	192
Purchased services	12,026	12,026	2,305	9,721
Supplies and materials	6,464	6,464	4,019	2,445
Other	500	500	952	(452)
Total special	20,300	20,300	7,373	12,927
Total instruction	42,583	42,583	7,373	35,210
Support services:				
Instructional staff:				
Salaries and wages	700	700	168	532
Employee benefits	114	114	30	84
Purchased services	2,459	2,459	205	2,254
Total instructional staff	3,273	3,273	403	2,870
Fiscal:				
Other	-	-	346	(346)
Pupil transportation:				
Purchased services	1,005	1,005	-	1,005
Total support services	4,278	4,278	749	3,529
Operation of non-instructional services:				
Community services:				
Purchased services	9,251	9,251	6,219	3,032
Total expenditures	56,112	56,112	14,341	41,771
Excess of revenues (under) over expenditures	(16,112)	(16,112)	(1,536)	14,576

Continued

Cleveland Heights-University Heights City School District

Title III Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing uses:				
Advance – out	-	-	(20,000)	(20,000)
Net change in fund balance	(16,112)	(16,112)	(21,536)	(5,424)
Fund balance at beginning of year	7,964	7,964	7,964	-
Prior year encumbrances appropriated	11,112	11,112	11,112	-
Fund balance (deficit) at end of year	\$ <u>2,964</u>	\$ <u>2,964</u>	\$ <u>(2,460)</u>	\$ <u>(5,424)</u>

Cleveland Heights-University Heights City School District

Title I Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,900,000	\$ 2,900,000	\$ 1,941,900	\$ (958,100)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	52,528	52,528	-	52,528
Special:				
Salaries and wages	1,023,702	1,023,702	783,740	239,962
Employee benefits	363,550	363,550	367,154	(3,604)
Purchased services	36,261	36,261	33,647	2,614
Supplies and materials	33,725	33,725	20,498	13,227
Capital outlay	-	-	126,105	(126,105)
Other	1,315	1,315	46	1,269
Total special	1,458,553	1,458,553	1,331,190	127,363
Total instruction	1,511,081	1,511,081	1,331,190	179,891
Support services:				
Instructional staff:				
Salaries and wages	216,600	216,600	98,362	118,238
Employee benefits	79,025	79,025	41,693	37,332
Purchased services	372,560	372,560	210,082	162,478
Supplies and materials	47,262	47,262	3,554	43,708
Total instructional staff	715,447	715,447	353,691	361,756
Administration:				
Salaries and wages	51,500	51,500	49,413	2,087
Employee benefits	23,855	23,855	29,124	(5,269)
Total administration	75,355	75,355	78,537	(3,182)
Pupil transportation:				
Purchased services	11,810	11,810	2,545	9,265
Total support services	802,612	802,612	434,773	367,839

Continued

Cleveland Heights-University Heights City School District

Title I Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Salaries and wages	79,270	79,270	51,544	27,726
Employee benefits	39,056	39,056	38,085	971
Purchased services	664,332	664,332	531,345	132,987
Supplies and materials	22,553	22,553	20,702	1,851
Capital outlay	700	700	-	700
Other	75	75	6,199	(6,124)
Total community services	<u>805,986</u>	<u>805,986</u>	<u>647,875</u>	<u>158,111</u>
Total expenditures	<u>3,119,679</u>	<u>3,119,679</u>	<u>2,413,838</u>	<u>705,841</u>
Excess of revenues (under) over expenditures	(219,679)	(219,679)	(471,938)	(252,259)
Other financing uses:				
Advance – out	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>
Net change in fund balance	(219,679)	(219,679)	(871,938)	(652,259)
Fund balance at beginning of year	78,525	78,525	78,525	-
Prior year encumbrances appropriated	<u>219,680</u>	<u>219,680</u>	<u>219,680</u>	<u>-</u>
Fund balance at end of year	<u>\$ 78,526</u>	<u>\$ 78,526</u>	<u>\$ (573,733)</u>	<u>\$ (652,259)</u>

Cleveland Heights-University Heights City School District

Preschool Disabilities Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 28,831	\$ (1,169)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	31,137	31,137	-	31,137
Special:				
Salaries and wages	17,500	17,500	16,367	1,133
Employee benefits	11,363	11,363	12,464	(1,101)
Total special	28,863	28,863	28,831	32
Total expenditures	60,000	60,000	28,831	31,169
Excess of revenues (under) over expenditures	(30,000)	(30,000)	-	30,000
Other financing uses:				
Advance – out	-	(20,000)	(50,000)	(30,000)
Net change in fund balance	(30,000)	(50,000)	(50,000)	-
Fund balance at beginning of year	50,000	50,000	50,000	-
Fund balance at end of year	\$ 20,000	\$ -	\$ -	\$ -

Cleveland Heights-University Heights City School District

Title IIA – Improving Teacher Quality Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 195,776	\$ (304,224)
Expenditures:				
Current:				
Support services:				
Instructional staff:				
Salaries and wages	97,048	97,048	3,827	93,221
Employee benefits	7,000	7,000	117	6,883
Purchased services	291,471	291,471	137,925	153,546
Supplies and materials	7,863	7,863	-	7,863
Other	300	300	-	300
Total instructional staff	403,682	403,682	141,869	261,813
Fiscal:				
Other	-	-	5,027	(5,027)
Central:				
Salaries and wages	2,907	2,907	163	2,744
Employee benefits	587	587	33	554
Supplies and materials	5,988	5,988	5,988	-
Other	40,518	40,518	40,518	-
Total central	50,000	50,000	46,702	3,298
Total support services	453,682	453,682	193,598	260,084
Operation of non-instructional services:				
Community services:				
Purchased services	145,116	145,116	68,804	76,312
Supplies and material	5,770	5,770	434	5,336
Total operation of instructional services	150,886	150,886	69,238	81,648
Total expenditures	604,568	604,568	262,836	341,732
Excess of revenues over (under) expenditures	(104,568)	(104,568)	(67,060)	37,508

Continued

Cleveland Heights-University Heights City School District

Title IIA – Improving Teacher Quality Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing uses:				
Advances – out	-	-	(150,000)	(150,000)
Net change in fund balance	(104,568)	(104,568)	(217,060)	(112,492)
Fund balance at beginning of year	54,506	54,506	54,506	-
Prior year encumbrances appropriated	104,568	104,568	104,568	-
Fund balance (deficit) at end of year	\$ <u>54,506</u>	\$ <u>54,506</u>	\$ <u>(57,986)</u>	\$ <u>(112,492)</u>

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,300,000	\$ 1,300,000	\$ 1,017,567	\$ (282,433)
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	416,105	416,105	115,809	300,296
Employee benefits	32,453	32,453	20,260	12,193
Purchased services	372,503	372,503	304,845	67,658
Supplies and materials	78,287	78,287	31,901	46,386
Capital outlay	67,872	67,872	39,923	27,949
Other	12,144	12,144	9,571	2,573
Total instruction	979,364	979,364	522,309	457,055
Support services:				
Pupil:				
Salaries and wages	111,150	111,150	133,233	(22,083)
Employee benefits	42,134	42,134	68,551	(26,417)
Total pupil	153,284	153,284	201,784	(48,500)
Instructional staff:				
Salaries and wages	10,050	10,050	15,207	(5,157)
Employee benefits	1,683	1,683	3,323	(1,640)
Purchased services	179,686	179,686	162,952	16,734
Supplies and materials	2,000	2,000	2,000	-
Total instructional staff	193,419	193,419	183,482	9,937
Administration:				
Purchased services	90,825	90,825	90,000	825
Fiscal:				
Other	-	-	12,675	(12,675)
Pupil transportation:				
Purchased services	134,500	134,500	40,915	93,585
Central:				
Purchased services	37,500	37,500	30,000	7,500
Total support services	609,528	609,528	558,856	50,672

Continued

Cleveland Heights-University Heights City School District

Miscellaneous Federal Grants Fund (continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of non-instructional services:				
Community services:				
Purchased services	94,358	94,358	56,183	38,175
Supplies and materials	22,112	22,112	19,288	2,824
Capital outlay	15,441	15,441	4,280	11,161
Other	6,074	6,074	6,300	(226)
Total operation of non-instructional services	137,985	137,985	86,051	51,934
Total expenditures	1,726,877	1,726,877	1,167,216	559,661
Excess of revenues (under) over expenditures	(426,877)	(426,877)	(149,649)	277,228
Other financing uses:				
Advances – out	-	-	(500,000)	(500,000)
Net change in fund balance	(426,877)	(426,877)	(649,649)	(222,772)
Fund balance at beginning of year	113,178	113,178	113,178	-
Prior year encumbrances appropriated	326,881	326,881	326,881	-
Fund balance (deficit) at end of year	\$ 13,182	\$ 13,182	\$ (209,590)	\$ (222,772)

Cleveland Heights-University Heights City School District

Bond Retirement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 5,569,081	\$ 5,436,915	\$ 5,525,365	\$ 88,450
Intergovernmental	711,090	706,080	205,613	(500,467)
Total revenues	<u>6,280,171</u>	<u>6,142,995</u>	<u>5,730,978</u>	<u>(412,017)</u>
Expenditures:				
Current:				
Support services:				
Fiscal:				
Other	<u>129,100</u>	<u>129,100</u>	<u>94,622</u>	<u>34,478</u>
Debt service:				
Principal	1,035,500	1,035,500	829,207	206,293
Interest and fiscal charges	<u>5,935,400</u>	<u>5,935,400</u>	<u>6,157,731</u>	<u>(222,331)</u>
Total debt service	<u>6,970,900</u>	<u>6,970,900</u>	<u>6,986,938</u>	<u>(16,038)</u>
Total expenditures	<u>7,100,000</u>	<u>7,100,000</u>	<u>7,081,560</u>	<u>18,440</u>
Net change in fund balance	(819,829)	(957,005)	(1,350,582)	(393,577)
Fund balance at beginning of year	<u>3,214,000</u>	<u>3,214,000</u>	<u>3,214,000</u>	-
Fund balance at end of year	<u>\$ 2,394,171</u>	<u>\$ 2,256,995</u>	<u>\$ 1,863,418</u>	<u>\$ (393,577)</u>

Cleveland Heights-University Heights City School District

Combining Statements – Nonmajor Proprietary Funds

Fund Descriptions

June 30, 2020

Nonmajor Enterprise Funds

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the expense (including depreciation) of providing goods or services to the general public is primarily or solely financed or recovered through user charges.

Food Services This fund accounts for the provision of food services to the District.

Uniform School Supplies This fund accounts for the purchase and sale of necessary supplies, materials, or other school related items.

Customer Services This fund accounts for services provided primarily to the general public which are financed or recovered through user charges.

Nonmajor Internal Service Fund

The internal service fund is used to account for the financing of services provided by one department to other departments of the government or to other districts on a cost reimbursement basis.

Self-Insurance This fund is to account for the receipt and expenditure of funds for medical and dental claims for employees.

Cleveland Heights-University Heights City School District

Combining Statement of Fund Net Position Nonmajor Enterprise Funds

June 30, 2020

	Food Services	Uniform School Supplies	Customer Services	Total Nonmajor Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 288,983	\$ 59,393	\$ 2,249	\$ 350,625
Prepaid items	906	-	-	906
Intergovernmental receivable	270,340	-	-	270,340
Materials and supplies inventories	33,604	-	-	33,604
Total current assets	<u>593,833</u>	<u>59,393</u>	<u>2,249</u>	<u>655,475</u>
Non-current assets:				
Nondepreciable capital assets	256,285	-	-	256,285
Depreciable capital assets, net	36,176	-	-	36,176
Total non-current assets	<u>292,461</u>	<u>-</u>	<u>-</u>	<u>292,461</u>
Total assets	<u>886,294</u>	<u>59,393</u>	<u>2,249</u>	<u>947,936</u>
Deferred outflows of resources:				
Pension – SERS	69,695	-	-	69,695
OPEB – SERS	29,021	-	-	29,021
Total deferred outflows of resources	<u>98,716</u>	<u>-</u>	<u>-</u>	<u>98,716</u>
Liabilities:				
Current liabilities:				
Accounts payable	407,751	-	-	407,751
Accrued wages and benefits	4,956	-	-	4,956
Intergovernmental payable	1,494	-	-	1,494
Current portion of accrued compensated absences	8,901	-	-	8,901
Total current liabilities	<u>423,102</u>	<u>-</u>	<u>-</u>	<u>423,102</u>
Non-current liabilities:				
Net Pension Liability	657,238	-	-	657,238
Net OPEB Liability	276,986	-	-	276,986
Accrued compensated absences	15,522	-	-	15,522
Total non-current liabilities	<u>949,746</u>	<u>-</u>	<u>-</u>	<u>949,746</u>
Total liabilities	<u>1,372,848</u>	<u>-</u>	<u>-</u>	<u>1,372,848</u>
Deferred inflows of resources:				
Pension – SERS	183,685	-	-	183,685
OPEB – SERS	245,087	-	-	245,087
Total deferred inflows of resources	<u>428,772</u>	<u>-</u>	<u>-</u>	<u>428,772</u>
Net position:				
Net investment in capital assets	292,461	-	-	292,461
Unrestricted (deficit)	(1,109,071)	59,393	2,249	(1,047,429)
Total net position (deficit)	<u>\$ (816,610)</u>	<u>\$ 59,393</u>	<u>\$ 2,249</u>	<u>\$ (754,968)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2020

	Food Services	Uniform School Supplies	Customer Services	Total Nonmajor Enterprise Funds
Operating revenues:				
Classroom materials and fees	\$ -	\$ 6,063	\$ -	\$ 6,063
Food services	127,443	-	-	127,443
Miscellaneous	1,316	-	3,911	5,227
Total operating revenues	<u>128,759</u>	<u>6,063</u>	<u>3,911</u>	<u>138,733</u>
Operating expenses:				
Salaries and wages	48,124	-	-	48,124
Fringe benefits	(98,169)	-	-	(98,169)
Purchased services	2,156,458	1,681	-	2,158,139
Supplies and materials	242,064	2,787	3,896	248,747
Depreciation	11,325	-	-	11,325
Other	350	7	472	829
Total operating expenses	<u>2,360,152</u>	<u>4,475</u>	<u>4,368</u>	<u>2,368,995</u>
Operating (loss) income	<u>(2,231,393)</u>	<u>1,588</u>	<u>(457)</u>	<u>(2,230,262)</u>
Non-operating revenues:				
Federal donated commodities	257,940	-	-	257,940
Intergovernmental grants	2,911,791	-	-	2,911,791
Total non-operating revenues	<u>3,169,731</u>	<u>-</u>	<u>-</u>	<u>3,169,731</u>
Change in net position before transfers	938,338	1,588	(457)	939,469
Transfers – in	<u>-</u>	<u>-</u>	<u>582</u>	<u>582</u>
Change in net position	938,338	1,588	125	940,051
Net position (deficit) at beginning of year	<u>(1,754,948)</u>	<u>57,805</u>	<u>2,124</u>	<u>(1,695,019)</u>
Net position (deficit) at end of year	<u>\$ (816,610)</u>	<u>\$ 59,393</u>	<u>\$ 2,249</u>	<u>\$ (754,968)</u>

Cleveland Heights-University Heights City School District

Combining Statement of Cash Flows Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2020

	Food Services	Uniform School Supplies	Customer Services	Total Nonmajor Enterprise Funds
Increase (decrease) in cash and cash equivalents:				
Cash flows from operating activities:				
Cash received from customers	\$ 127,443	\$ 6,063	\$ -	\$ 133,506
Cash received from other operating sources	1,316	-	3,911	5,227
Cash payments for materials and supplies	-	(2,787)	(3,896)	(6,683)
Cash payments for goods and service	(1,963,907)	(1,681)	-	(1,965,588)
Cash payments to employees for services	(76,952)	-	-	(76,952)
Cash payments for employee benefits	(71,660)	-	-	(71,660)
Cash payments for other	-	(7)	(472)	(479)
Net cash (used) provided by operating activities	<u>(1,983,760)</u>	<u>1,588</u>	<u>(457)</u>	<u>(1,982,629)</u>
Cash flows from noncapital financing activities:				
Intergovernmental grants received	2,716,400	-	-	2,716,400
Transfers – in	-	-	582	582
Advances – out	<u>(550,000)</u>	<u>-</u>	<u>-</u>	<u>(550,000)</u>
Net cash provided by noncapital financing activities	<u>2,166,400</u>	<u>-</u>	<u>582</u>	<u>2,166,982</u>
Cash flows from capital financing activities:				
Acquisition of capital assets	<u>(157,374)</u>	<u>-</u>	<u>-</u>	<u>(157,374)</u>
Net increase in cash and cash equivalents	25,266	1,588	125	26,979
Cash and cash equivalents at beginning of year	<u>263,717</u>	<u>57,805</u>	<u>2,124</u>	<u>323,646</u>
Cash and cash equivalents at end of year	<u>\$ 288,983</u>	<u>\$ 59,393</u>	<u>\$ 2,249</u>	<u>\$ 350,625</u>
Non-cash capital and noncapital financing activities:				
Federal donated commodities	\$ 257,940	\$ -	\$ -	\$ 257,940

Continued

Cleveland Heights-University Heights City School District

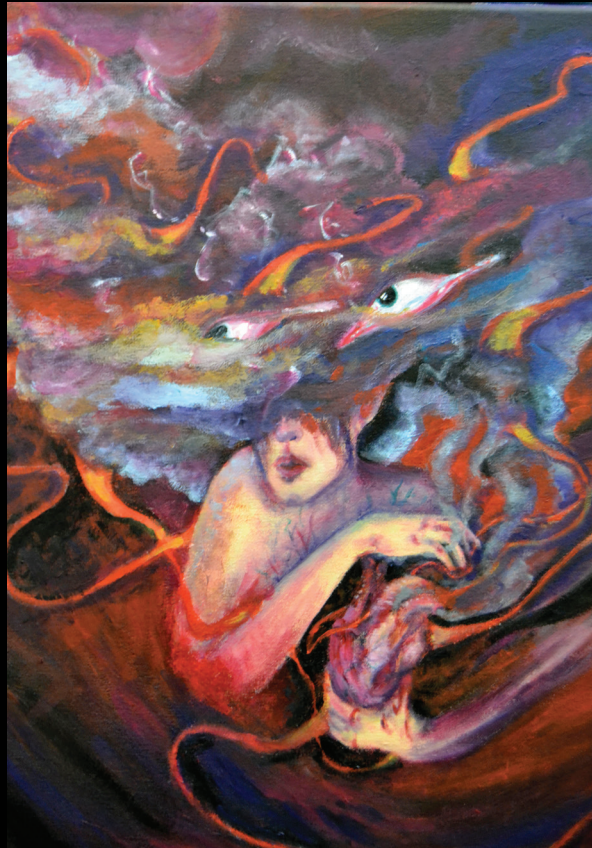
Combining Statement of Cash Flows Nonmajor Enterprise Funds (continued)

For the Fiscal Year Ended June 30, 2020

	Food Services	Uniform School Supplies	Customer Services	Total Nonmajor Enterprise Funds
Reconciliation of operating (loss) income to net cash (used) provided by operating activities:				
Operating (loss) income	\$ (2,231,393)	\$ 1,588	\$ (457)	\$ (2,230,262)
Adjustments:				
Depreciation	11,325	-	-	11,325
Federal donated commodities	257,940	-	-	257,940
Changes in assets/liabilities:				
Prepaid items	819	-	-	819
Materials and supplies inventories	(7,995)	-	-	(7,995)
Inventory held for resale	(7,881)	-	-	(7,881)
Deferred outflows – pension	71,536	-	-	71,536
Deferred outflows – OPEB	11,076	-	-	11,076
Accounts payable	192,901	-	-	192,901
Accrued wages and benefits	(28,828)	-	-	(28,828)
Intergovernmental payable	(10,099)	-	-	(10,099)
Accrued compensated absences	(8,301)	-	-	(8,301)
Net pension liability	(2,079)	-	-	(2,079)
Net OPEB liability	19,821	-	-	19,821
Deferred inflows – pension	(184,125)	-	-	(184,125)
Deferred inflows – OPEB	(68,477)	-	-	(68,477)
Total adjustments	<u>247,633</u>	<u>-</u>	<u>-</u>	<u>247,633</u>
Net cash (used) provided by operating activities	<u>\$ (1,983,760)</u>	<u>\$ 1,588</u>	<u>\$ (457)</u>	<u>\$ (1,982,629)</u>

CLEVELAND HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
University Heights, Ohio

Schedules of Revenues, Expenses and Changes in Fund Equities – Budget (Non-GAAP Basis) and Actual



Melody Schanz
Gr 9 Heights High School



CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO

Cleveland Heights-University Heights City School District

Food Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Food services	\$ 201,568	\$ 201,568	\$ 127,443	\$ (74,125)
Miscellaneous	2,081	2,081	1,316	(765)
Operating grants	4,296,350	4,296,350	2,716,400	(1,579,950)
Total revenues	<u>4,499,999</u>	<u>4,499,999</u>	<u>2,845,159</u>	<u>(1,654,840)</u>
Expenses:				
Food service operations:				
Salaries and wages	49,783	49,783	76,952	(27,169)
Fringe benefits	27,000	27,000	71,660	(44,660)
Purchased services	3,939,852	3,939,852	2,372,760	1,567,092
Other operating expenses	-	-	350	(350)
Total expenses	<u>4,016,635</u>	<u>4,016,635</u>	<u>2,521,722</u>	<u>1,494,913</u>
Excess of revenues (under) over expenses	483,364	483,364	323,437	(159,927)
Other financing uses:				
Advances – out	<u>(600,000)</u>	<u>(600,000)</u>	<u>(550,000)</u>	<u>50,000</u>
Net change in fund equity	(116,636)	(116,636)	(226,563)	(109,927)
Fund equity at beginning of year	147,082	147,082	147,082	-
Prior year encumbrances appropriated	<u>116,635</u>	<u>116,635</u>	<u>116,635</u>	<u>-</u>
Fund equity at end of year	<u>\$ 147,081</u>	<u>\$ 147,081</u>	<u>\$ 37,154</u>	<u>\$ (109,927)</u>

Cleveland Heights-University Heights City School District

Uniform School Supplies Fund

Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Classroom materials and fees	\$ 15,000	\$ 15,000	\$ 6,063	\$ (8,937)
Expenses:				
Supplies and materials:				
Regular instruction	27,600	27,600	2,787	24,813
Other non-instructional services	15,000	15,000	-	15,000
Total supplies and materials	42,600	42,600	2,787	39,813
Other operating expenses:				
Support services – pupil	-	-	7	(7)
Capital outlay	2,400	2,400	1,681	719
Total expenses	45,000	45,000	4,475	40,525
Net change in fund equity	(30,000)	(30,000)	1,588	31,588
Fund equity at beginning of year	57,805	57,805	57,805	-
Fund equity at end of year	\$ 27,805	\$ 27,805	\$ 59,393	\$ 31,588

Cleveland Heights-University Heights City School District

Customer Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 17,409	\$ 17,409	\$ 3,911	\$ (13,498)
Expenses:				
Supplies and materials:				
Enterprise operations	18,200	18,200	3,896	14,304
Other operating expenses:				
Enterprise operations	1,800	1,800	472	1,328
Total expenses	<u>20,000</u>	<u>20,000</u>	<u>4,368</u>	<u>15,632</u>
Excess of revenues (under) over expenses	(2,591)	(2,591)	(457)	2,134
Other financing sources:				
Transfers – in	<u>2,591</u>	<u>2,591</u>	<u>582</u>	<u>(2,009)</u>
Net change in fund equity	-	-	125	125
Fund equity at beginning of year	<u>2,124</u>	<u>2,124</u>	<u>2,124</u>	-
Fund equity at end of year	<u>\$ 2,124</u>	<u>\$ 2,124</u>	<u>\$ 2,249</u>	<u>\$ 125</u>

Cleveland Heights-University Heights City School District

Self-Insurance Fund

Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 15,000,000	\$ 15,000,000	\$ 20,239,311	\$ 5,239,311
Expenses:				
Central:				
Fringe benefits	19,908,000	19,908,000	19,211,682	696,318
Purchases services	109,799	109,799	37,128	72,671
Supplies and materials	5,000	5,000	6,000	(1,000)
Total expenses	<u>20,022,799</u>	<u>20,022,799</u>	<u>19,254,810</u>	<u>767,989</u>
Net change in fund equity	(5,022,799)	(5,022,799)	984,501	6,007,300
Fund equity at beginning of year	6,164,000	6,164,000	6,164,000	-
Prior year encumbrances appropriated	<u>22,799</u>	<u>22,799</u>	<u>22,799</u>	-
Fund equity at end of year	\$ <u>1,164,000</u>	\$ <u>1,164,000</u>	\$ <u>7,171,300</u>	\$ <u>6,007,300</u>

Cleveland Heights-University Heights City School District

Combining Statement of changes in Assets and Liabilities – Agency Funds

Schedule of Revenues, Expenditures and Changes in Fund Equity – Budget (Non-GAAP Budgetary Basis) and Actual

For the Fiscal Year Ended June 30, 2020

	Balance 6/30/2019	Additions	Reductions	Balance 6/30/2020
Student activities				
Assets:				
Equity in pooled cash and investments	\$ 88,561	\$ 51,899	\$ (46,146)	\$ 94,314
Liabilities:				
Due to students	\$ 88,561	\$ 51,899	\$ (46,146)	\$ 94,314
Tournaments				
Assets:				
Equity in pooled cash and investments	\$ -	\$ 3,650	\$ (3,650)	\$ -
Liabilities:				
Due to others	\$ -	\$ 3,650	\$ (3,650)	\$ -
Total Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 88,561	\$ 55,549	\$ (49,796)	\$ 94,314
Liabilities:				
Due to students	88,561	51,899	(46,146)	94,314
Due to others	-	3,650	(3,650)	-
Total liabilities	\$ 88,561	\$ 55,549	\$ (49,796)	\$ 94,314

STATISTICAL SECTION



Braxton Dedino Sadler
Gr 4 Canterbury Elementary

CLEVELAND
UNIVERSITY **HEIGHTS**
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO



Cleveland Heights-University Heights City School District

Statistical Section

June 30, 2020

This part of the Cleveland Heights – University Heights City School District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

Contents	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	S2-S10
Revenue Capacity These schedules contain information to help the reader assess the District’s most significant local revenue source, the property tax.	S11-S14
Debt Capacity These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	S15-S18
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the District’s financial activities take place.	S19-S20
Operating Information These schedules contain service data to help the reader understand how the Information in the District’s financial report relates to the services the District provides and the activities it performs.	S21-S26

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Cleveland Heights-University Heights City School District

Net Position by Component

Last Ten Fiscal Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 26,268,632	\$ 27,342,544	\$ 28,594,961	\$ 30,541,659	\$ 31,052,012	\$ 36,665,245	\$ 31,837,064	\$ 25,104,971	\$ 24,910,830	\$ 26,948,908
Restricted for:										
Capital projects	1,481,800	1,220,404	1,858,176	3,749,045	4,939,326	6,018,920	6,462,956	10,079,692	10,376,347	10,414,429
Debt service	656,723	756,981	239,222	2,907,465	3,879,732	4,055,002	3,143,643	-	-	-
Other purposes	364,493	461,744	471,046	372,466	328,565	865,805	235,382	529,568	611,900	762,162
Qualified Zone Academy										
Bond retirement	3,897,177	4,057,651	4,226,341	4,401,300	4,582,819	4,768,679	4,955,750	5,146,803	5,355,823	-
Unrestricted (deficit)	51,903,551	46,627,095	44,601,776	(110,110,600)	(109,538,804)	(108,570,623)	(154,710,889)	(89,078,082)	(79,946,850)	(97,209,235)
Total net position – governmental activities	84,572,376	80,466,419	79,991,522	(68,138,665)	(64,756,350)	(56,196,972)	(108,076,094)	(48,217,048)	(38,691,950)	(59,083,736)
Business-type activities:										
Net investment in capital assets	533,397	505,491	472,519	440,105	407,689	375,274	70,508	58,826	146,412	292,461
Unrestricted (deficit)	(8,139,020)	(9,642,747)	(12,609,793)	(3,524,685)	(3,971,286)	(3,743,283)	(2,679,434)	(2,110,788)	(1,841,431)	(1,047,429)
Total net position – business-type activities	(7,605,623)	(9,137,256)	(12,137,274)	(3,084,580)	(3,563,597)	(3,368,009)	(2,608,926)	(2,051,962)	(1,695,019)	(754,968)
Primary government:										
Net investment in capital assets	26,802,029	27,848,035	29,067,480	30,981,764	31,459,701	37,040,519	31,907,572	25,163,797	25,057,242	27,241,369
Restricted for:										
Capital projects	1,481,800	1,220,404	1,858,176	3,749,045	4,939,326	6,018,920	6,462,956	10,079,692	10,376,347	10,414,429
Debt service	656,723	756,981	239,222	2,907,465	3,879,732	4,055,002	3,143,643	-	-	-
Other purposes	364,493	461,744	471,046	372,466	328,565	865,805	235,382	529,568	611,900	762,162
Qualified zone academy										
bond retirement	3,897,177	4,057,651	4,226,341	4,401,300	4,582,819	4,768,679	4,955,750	5,146,803	5,355,823	-
Unrestricted (deficit)	43,764,531	36,984,348	31,991,983	(113,635,285)	(113,510,090)	(112,313,906)	(157,390,323)	(91,188,870)	(81,788,281)	(98,256,664)
Total net position – primary government	\$ 76,966,753	\$ 71,329,163	\$ 67,854,248	\$ (71,223,245)	\$ (68,319,947)	\$ (59,564,981)	\$ (110,685,020)	\$ (50,269,010)	\$ (40,386,969)	\$ (59,838,704)

Source: School District financial records.

Table 1

Cleveland Heights-University Heights City School District

Changes in Net Position

Last Ten Fiscal Years

Table 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
Regular instruction	\$ 41,334,122	\$ 40,951,163	\$ 43,005,293	\$ 41,223,022	\$ 41,960,022	\$ 40,814,609	\$ 43,626,268	\$ 12,949,352	\$ 33,772,850	\$ 42,912,160
Special instruction	13,830,108	12,947,396	12,536,158	15,496,883	15,630,864	20,678,670	23,021,354	12,702,297	21,612,647	33,261,198
Vocational instruction	2,075,152	2,306,559	1,988,214	2,199,170	1,729,582	1,820,465	1,887,316	733,208	1,785,442	2,106,297
Adult/continuing instruction	346,356	335,150	258,202	46	214,853	-	-	-	-	-
Other instruction	5,341,468	7,154,104	8,257,928	8,817,024	8,653,671	6,284,908	5,975,458	6,135,377	8,628,069	4,747,157
Pupil	8,922,133	9,891,614	9,412,636	7,674,501	7,861,619	7,606,276	8,184,224	2,740,833	6,515,947	8,343,753
Instructional staff	6,158,641	6,445,138	8,004,270	5,838,505	6,740,256	5,296,223	5,271,824	2,635,760	4,135,898	5,501,084
Board of education	590,673	586,707	584,645	702,812	660,086	570,267	639,543	556,874	674,582	820,893
Administration	5,963,161	6,110,464	5,922,772	8,077,153	6,651,527	6,501,228	6,483,332	3,147,054	6,036,398	6,996,024
Fiscal	2,441,386	2,573,478	2,980,897	2,920,898	3,198,752	3,081,449	3,175,566	3,510,872	3,081,101	3,176,914
Business	1,583,775	1,552,317	556,890	1,748,679	1,536,059	990,990	1,047,575	934,024	858,780	1,125,107
Operation and maintenance of plant	12,471,455	12,510,123	12,391,012	13,286,205	13,177,175	12,299,919	12,691,307	12,114,146	14,284,656	16,718,490
Pupil transportation	4,499,491	5,302,386	4,616,743	4,168,805	4,081,598	3,767,197	4,122,183	3,660,423	3,978,709	4,026,440
Central	3,766,198	5,429,990	4,452,855	3,966,623	4,044,855	3,695,810	4,125,428	3,242,196	3,701,731	3,901,982
Food service operations	5,485	2,981	15,636	20,162	6,458	5,374	6,944	9,418	5,623	5,611
Community services	2,538,766	1,958,644	2,100,792	2,255,657	2,579,166	2,743,629	3,348,015	3,005,501	3,689,807	3,055,369
Shared services	-	-	-	5,149	-	-	-	-	-	-
Other operation of non-instructional services	-	117,942	120,356	926	2,081	267	423	584	206	-
Extracurricular activities	1,618,758	1,769,909	1,955,860	2,157,104	1,734,080	1,565,698	1,549,558	1,082,469	1,461,395	1,673,243
Interest and fiscal charges	519,722	461,235	299,445	3,776,729	7,507,361	7,278,250	7,364,064	7,184,831	6,644,931	7,309,910
Total governmental activities expenses	114,006,850	118,407,300	119,460,604	124,336,053	127,970,065	125,001,229	132,520,382	76,345,219	120,868,772	145,681,632
Business-type activities:										
Food services	2,310,751	2,434,896	2,507,990	2,442,610	2,276,189	2,624,070	2,579,471	2,354,594	2,602,197	2,360,152
Uniform school supplies	31,350	31,824	21,260	31,744	6,858	3,460	3,394	1,481	3,854	4,475
Customer services	9,385	-	34,212	-	10,565	8,858	7,974	9,578	8,374	4,368
Community services/early childhood	746,880	743,185	770,293	821,397	994,837	917,304	919,274	-	-	-
Bellefaire General Rotary	3,459,420	3,189,684	3,114,669	2,355	-	-	-	-	-	-
Total business-type activities expenses	6,557,786	6,399,589	6,448,424	3,298,106	3,288,449	3,553,692	3,510,113	2,365,653	2,614,425	2,368,995
Total primary government expenses	120,564,636	124,806,889	125,909,028	127,634,159	131,258,514	128,554,921	136,030,495	78,710,872	123,483,197	148,050,627

Cleveland Heights-University Heights City School District

Changes in Net Position (continued)

Last Ten Fiscal Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenues:										
Governmental activities:										
Charges for services:										
Regular instruction	343,243	157,440	1,974,958	2,033,784	1,865,301	2,235,640	1,542,619	629,659	1,970,795	1,657,173
Special instruction	3,917,868	2,833,543	2,814,090	3,048,640	2,913,068	2,559,043	2,401,660	3,370,647	770,369	2,411,643
Vocational instruction	-	-	402,269	241,934	79,112	5,060	11,808	3,590	11,751	6,447
Administration	30,575	132,968	26,345	59,783	195,163	198,336	252,256	156,208	139,404	121,156
Pupil transportation	121,733	205,743	25,097	26,165	13,298	38,392	6,924	38,404	42,268	59,534
Extracurricular activities	59,767	115,175	155,691	102,970	111,836	80,261	92,178	119,080	110,087	77,410
Operating grants and contributions:										
Regular instruction	1,842,682	623,151	1,483,338	1,275,340	795,124	892,723	666,545	874,223	1,497,527	2,513,329
Special instruction	5,590,342	5,259,112	4,268,212	4,164,420	3,439,308	3,713,268	3,820,067	3,766,969	4,580,498	3,851,008
Vocational instruction	293,148	194,247	328,861	302,953	265,366	237,709	231,876	285,428	256,476	228,880
Adult/continuing instruction	444,629	537,124	432,062	99,484	-	-	-	-	-	-
Pupil	93,459	112,257	90,267	107,986	103,246	105,593	105,911	18,000	18,000	797,501
Instructional staff	-	-	-	-	-	-	-	-	-	8,227
Community services	1,562,377	1,784,599	1,851,027	1,932,315	2,080,860	2,269,212	2,567,730	2,320,922	2,521,953	2,695,765
Capital grants and contributions:										
Operation and maintenance of plant	-	-	-	-	20,000	-	-	-	-	-
Central	27,300	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	14,327,123	11,955,359	13,852,217	13,395,774	11,881,682	12,335,237	11,699,574	11,583,130	11,919,128	14,428,073

Continued

Table 2

Cleveland Heights-University Heights City School District

Changes in Net Position (continued)

Last Ten Fiscal Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Food services	405,888	384,300	359,057	331,037	323,606	359,710	148,554	184,268	194,028	128,759
Uniform school supplies	30,361	27,468	23,825	28,907	13,402	9,456	11,214	15,636	12,274	6,063
Customer services	1,000	-	11,890	11,890	12,167	8,618	8,356	9,453	8,549	3,911
Community services/early childhood	720,938	620,621	647,205	662,846	566,556	554,364	-	-	-	-
Bellefaire General Rotary	611,951	2,222,430	283,102	683,844	-	-	-	-	-	-
Operating grants and contributions:										
Food services	1,661,511	1,613,137	2,123,327	1,868,291	1,901,444	1,762,391	2,834,985	2,713,260	2,756,187	3,169,731
Total business-type activities	3,431,649	4,867,956	3,448,406	3,586,815	2,817,175	2,694,539	3,547,350	2,922,617	2,971,038	3,308,464
Total primary government	17,758,772	16,823,315	17,300,623	16,982,589	14,698,857	15,029,776	15,246,924	14,505,747	14,890,166	17,736,537
Net expense:										
Governmental activities	(99,679,727)	(106,451,941)	(105,608,387)	(110,940,279)	(116,088,383)	(112,665,992)	(120,820,808)	(64,762,089)	(108,949,644)	(131,253,559)
Business-type activities	(3,126,137)	(1,531,633)	(3,000,018)	288,709	(471,274)	(859,153)	37,237	556,964	356,613	939,469
Total primary government net expense	(102,805,864)	(107,983,574)	(108,608,405)	(110,651,570)	(116,559,657)	(113,525,145)	(120,783,571)	(64,205,125)	(108,593,031)	(130,314,090)
General revenues and other changes										
in net position:										
Governmental activities:										
Property taxes levied for:										
General purpose	57,099,411	65,982,589	69,354,404	74,045,127	73,060,036	75,153,473	62,806,651	76,763,349	71,980,283	68,062,834
Debt service	604,768	671,452	631,509	5,746,485	7,141,001	7,352,980	6,081,146	7,759,557	6,090,617	4,820,138
Capital projects	2,748,213	3,087,683	3,059,156	3,394,926	3,374,548	3,546,925	2,657,127	3,302,707	3,154,427	2,878,855
Grants and entitlements not restricted to specific programs	31,992,845	31,837,748	30,580,845	31,506,047	32,483,747	31,775,332	32,013,598	32,960,944	32,324,850	30,894,244
Investment earnings	306,230	273,286	230,870	504,723	1,756,112	1,499,671	906,980	1,178,732	1,949,799	1,109,356
Miscellaneous	652,057	493,226	1,276,706	1,044,771	1,647,511	2,951,730	2,502,529	2,655,846	2,975,096	3,096,928
Transfers	(169,318)	-	-	(11,056,420)	7,743	-	(1,271,323)	-	(330)	(582)
Total governmental activities	93,234,206	102,345,984	105,133,490	105,185,659	119,470,698	122,280,111	105,696,708	124,621,135	118,474,742	110,861,773

Continued

Cleveland Heights-University Heights City School District

Changes in Net Position (continued)

Last Ten Fiscal Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Transfers	169,318	-	-	11,056,420	(7,743)	-	1,271,323	-	330	582
Total primary government general revenues and other changes in net position	93,403,524	102,345,984	105,133,490	116,242,079	119,462,955	122,280,111	106,968,031	124,621,135	118,475,072	110,862,355
Change in net position:										
Governmental activities	(6,445,521)	(4,105,957)	(474,897)	(5,754,620)	3,382,315	9,614,119	(15,124,100)	59,859,046	9,525,098	(20,391,786)
Business-type activities	(2,956,819)	(1,531,633)	(3,000,018)	11,345,129	(479,017)	(859,153)	1,308,560	556,964	356,943	940,051
Total primary government change in net position	\$ (9,402,340)	\$ (5,637,590)	\$ (3,474,915)	\$ 5,590,509	\$ 2,903,298	\$ 8,754,966	\$ (13,815,540)	\$ 60,416,010	\$ 9,882,041	\$ (19,451,735)

Source: School District financial records.

Cleveland Heights-University Heights City School District

Program Revenues by Function/Program

Last Ten Fiscal Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Regular instruction	\$ 2,185,925	\$ 780,591	\$ 3,458,296	\$ 3,309,124	\$ 2,660,425	\$ 3,128,363	\$ 2,209,164	\$ 1,503,882	\$ 3,468,322	\$ 4,170,502
Special instruction	9,508,210	8,092,655	7,082,302	7,213,060	4,309,115	6,272,311	6,221,727	7,137,616	5,350,867	6,262,651
Vocational instruction	293,148	194,247	731,130	544,887	344,478	242,769	243,684	289,018	268,227	235,327
Adult/continuing instruction	444,629	537,124	432,062	99,484	-	-	-	-	-	-
Pupil	93,459	112,257	90,267	107,986	103,246	105,593	105,911	18,000	18,000	797,501
Instructional staff	-	-	-	-	-	-	-	-	-	8,227
Administration	30,575	132,968	26,345	59,783	195,163	198,336	252,256	156,208	139,404	121,156
Operation and maintenance of plant	-	-	-	-	20,000	-	-	-	-	-
Pupil transportation	121,733	205,743	25,097	26,165	13,298	38,392	6,924	38,404	42,268	59,534
Central	27,300	-	-	-	-	-	-	-	-	-
Community services	1,562,377	1,784,599	1,851,027	1,932,315	2,080,860	2,269,212	2,567,730	2,320,922	2,521,953	2,695,765
Extracurricular activities	59,767	115,175	155,691	102,970	111,836	80,261	92,178	119,080	110,087	77,410
Total governmental activities	14,327,123	11,955,359	13,852,217	13,395,774	9,838,421	12,335,237	11,699,574	11,583,130	11,919,128	14,428,073
Business-type activities:										
Food services	2,067,399	1,997,437	2,482,384	2,199,328	2,225,050	2,122,101	2,983,539	2,897,528	2,950,215	3,298,490
Uniform school supplies	30,361	27,468	23,825	28,907	13,402	9,456	11,214	15,636	12,274	6,063
Customer services	1,000	-	11,890	11,890	12,167	8,618	8,356	9,453	8,549	3,911
Community services/early childhood	720,938	620,621	647,205	662,846	566,556	554,364	544,241	-	-	-
Bellefaire General Rotary	611,951	2,222,430	283,102	683,844	-	-	-	-	-	-
Total business-type activities	3,431,649	4,867,956	3,448,406	3,586,815	2,817,175	2,694,539	3,547,350	2,922,617	2,971,038	3,308,464
Total primary government program revenues	\$ 17,758,772	\$ 16,823,315	\$ 17,300,623	\$ 16,982,589	\$ 12,655,596	\$ 15,029,776	\$ 15,246,924	\$ 14,505,747	\$ 14,890,166	\$ 17,736,537

Source: School District financial records.

Table 3

Cleveland Heights-University Heights City School District

Fund Balances, Governmental Funds

Last Ten Fiscal Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Nonspendable	\$ 377,185	\$ 388,565	\$ 421,946	\$ 485,956	\$ 400,634	\$ 408,564	\$ 698,645	\$ 601,068	\$ 611,776	\$ 584,051
Restricted	2,425,675	-	-	-	-	-	-	-	-	-
Committed	-	16,583	169,433	-	249,020	-	-	-	-	-
Assigned	1,587,479	3,008,658	2,855,580	10,942,612	20,777,177	15,263,935	9,892,519	10,369,467	10,265,497	10,677,597
Unassigned	49,220,502	42,156,930	39,137,025	19,296,525	9,241,633	18,324,871	14,314,303	16,687,556	12,270,472	-
Total general fund	<u>53,610,841</u>	<u>45,570,736</u>	<u>42,583,984</u>	<u>30,725,093</u>	<u>30,668,464</u>	<u>33,997,370</u>	<u>24,905,467</u>	<u>27,658,091</u>	<u>23,147,745</u>	<u>11,261,648</u>
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	33	-	-	-
Restricted	6,242,013	6,146,770	6,472,636	164,189,868	145,242,640	112,954,576	58,328,729	48,725,311	24,838,198	13,268,360
Unassigned (deficit)	(1,358,259)	(1,014,561)	(691,665)	(349,436)	(209,254)	(347,404)	(444,423)	(981,970)	(193,720)	(468,738)
Total all other governmental funds	<u>4,883,754</u>	<u>5,132,209</u>	<u>5,780,971</u>	<u>163,840,432</u>	<u>145,033,386</u>	<u>112,607,172</u>	<u>57,884,339</u>	<u>47,743,341</u>	<u>24,644,478</u>	<u>12,799,622</u>
Total governmental funds	<u>\$ 58,494,595</u>	<u>\$ 50,702,945</u>	<u>\$ 48,364,955</u>	<u>\$ 194,565,525</u>	<u>\$ 175,701,850</u>	<u>\$ 146,604,542</u>	<u>\$ 82,789,806</u>	<u>\$ 75,401,432</u>	<u>\$ 47,792,223</u>	<u>\$ 24,061,270</u>

Source: School District financial records.

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

Table 5

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 59,741,780	\$ 67,893,727	\$ 72,593,187	\$ 81,019,869	\$ 82,427,691	\$ 84,468,564	\$ 70,025,921	\$ 85,881,504	\$ 83,287,647	\$ 75,776,080
Intergovernmental	45,195,019	41,721,066	39,293,275	39,705,007	38,533,550	38,219,569	39,404,171	39,818,434	41,754,742	40,731,464
Grants	-	-	-	-	36,147	95,763	77,065	136,652	204,066	199,282
Tuition and fees	919,510	2,103,521	4,261,340	5,205,135	5,212,754	4,870,192	5,347,394	3,730,574	2,572,132	4,156,509
Earnings on investments	306,230	229,786	269,926	383,159	1,743,978	1,493,336	890,212	1,158,393	2,072,177	1,149,119
Extracurricular activities	193,720	214,197	249,403	328,105	281,315	218,737	181,037	208,333	234,260	192,693
Classroom materials and fees	7,769	6,628	9,899	10,983	8,210	7,407	9,968	5,639	5,684	4,016
Miscellaneous	909,544	590,072	1,288,159	925,607	1,713,082	2,968,872	2,678,979	2,813,234	2,975,513	3,065,493
Total revenues	107,273,572	112,758,997	117,965,189	127,577,865	129,956,727	132,342,440	118,614,747	133,752,763	133,106,221	125,274,656
Expenditures:										
Current:										
Instruction:										
Regular	40,644,644	41,711,646	41,694,037	41,252,792	42,780,196	41,165,894	40,375,853	39,820,252	40,754,315	41,414,582
Special	13,869,106	12,871,556	12,550,247	15,446,175	15,640,475	20,813,764	22,116,942	22,819,044	24,423,936	32,738,745
Vocational	2,133,784	2,253,201	2,025,443	2,202,132	1,790,287	1,810,390	1,754,725	2,133,247	2,187,965	2,018,439
Adult/continuing	351,808	359,859	258,355	42	214,853	-	-	-	-	-
Other	5,341,468	7,119,352	8,260,680	8,852,295	8,661,935	6,281,759	5,927,681	6,390,021	8,706,651	4,734,917
Support services:										
Pupil	9,059,801	9,710,922	9,471,275	7,779,443	7,819,662	7,752,082	7,656,795	7,945,144	7,990,632	8,183,497
Instructional staff	5,929,177	5,744,220	7,360,021	5,579,026	6,655,202	5,355,690	4,946,508	5,748,727	5,044,696	5,218,766
Board of education	590,673	586,707	584,645	702,812	660,818	570,730	637,691	563,822	678,367	811,740
Administration	6,231,154	6,069,379	5,921,173	8,002,595	6,666,267	6,580,971	6,141,738	6,196,289	6,996,923	6,767,860
Fiscal	2,441,153	2,577,403	2,992,173	2,898,090	3,199,810	3,120,432	3,119,583	3,761,570	3,219,601	3,067,024
Business	1,867,829	1,418,638	486,832	1,620,092	1,419,952	1,148,867	944,826	851,840	846,438	984,229
Operation and maintenance of plant	13,667,124	13,738,248	13,995,828	13,982,246	11,709,772	11,947,714	11,944,593	12,095,174	14,005,395	12,543,679
Pupil transportation	4,660,456	4,956,598	4,319,901	3,866,048	3,878,073	4,033,071	3,795,667	4,038,336	4,160,575	3,858,304
Central	3,786,451	5,419,739	4,421,726	3,929,804	4,065,836	3,749,689	4,055,053	3,712,479	3,891,125	3,763,559
Operations of non-instructional services:										
Food service	5,446	2,981	15,636	24,779	1,119	35	1,605	4,079	284	272
Community services	2,356,186	1,965,327	2,146,012	2,241,565	2,572,447	2,735,318	3,290,253	3,009,464	3,659,100	3,044,557
Shared services	-	-	-	5,149	-	-	-	-	-	-
Other	123,112	117,942	120,356	926	2,081	267	423	584	206	-
Extracurricular activities	1,586,270	1,731,341	1,940,700	2,132,543	1,733,151	1,561,140	1,445,612	1,590,912	1,621,344	1,603,383
Facilities acquisition and construction services	-	-	-	3,209,965	22,081,669	35,111,364	54,576,672	12,382,864	24,741,265	4,485,192

Continued

Cleveland Heights-University Heights City School District

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt service:										
Principal	1,815,920	1,721,314	1,497,177	1,225,155	1,307,703	995,670	1,026,348	1,570,268	1,611,767	6,901,548
Interest and fiscal charges	532,226	474,274	328,040	1,661,324	7,293,440	7,110,316	7,102,480	6,508,521	6,261,298	6,932,369
Bond issuance costs	-	-	124,721	1,224,233	-	-	-	438,253	-	-
Total expenditures	<u>116,993,788</u>	<u>120,550,647</u>	<u>120,514,978</u>	<u>127,839,231</u>	<u>150,154,748</u>	<u>161,845,163</u>	<u>180,861,048</u>	<u>141,580,890</u>	<u>160,801,883</u>	<u>149,072,662</u>
Excess of revenues over (under) expenditures	(9,720,216)	(7,791,650)	(2,549,789)	(261,366)	(20,198,021)	(29,502,723)	(62,246,301)	(7,828,127)	(27,695,662)	(23,798,006)
Other financing sources (uses):										
Inception of capital leases	397,346	-	87,077	88,483	-	395,108	-	-	75,691	67,635
General obligation bonds issued	-	-	-	134,799,915	-	-	-	-	-	-
Refunding bonds issued	-	-	6,750,000	-	-	-	-	60,725,000	-	-
Premium on bonds issued	-	-	199,722	1,659,731	-	-	-	9,804,394	-	-
Certificates of participation issued	-	-	-	21,000,000	-	-	-	-	-	-
Discount on certificates of participation issued	-	-	-	(29,773)	-	-	-	-	-	-
Transfers-in	1,303,351	914,388	625,321	805,350	1,670,886	253,500	150,000	276,974	242,992	303,620
Transfers-out	(1,472,669)	(914,388)	(625,321)	(11,861,770)	(336,540)	(253,500)	(1,718,435)	(276,974)	(243,322)	(304,202)
Payment to refunded bond escrow agent	-	-	(6,825,000)	-	-	-	-	(70,089,641)	-	-
Sale of capital assets	-	-	-	-	-	10,307	-	-	11,092	-
Total other financing sources (uses)	228,028	-	211,799	146,461,936	1,334,346	405,415	(1,568,435)	439,753	86,453	67,053
Net change in fund balances	<u>\$ (9,492,188)</u>	<u>\$ (7,791,650)</u>	<u>\$ (2,337,990)</u>	<u>\$ 146,200,570</u>	<u>\$ (18,863,675)</u>	<u>\$ (29,097,308)</u>	<u>\$ (63,814,736)</u>	<u>\$ (7,388,374)</u>	<u>\$ (27,609,209)</u>	<u>\$ (23,730,953)</u>
Debt service as a percentage of noncapital expenditures	2.07%	1.86%	1.55%	2.36%	6.72%	6.48%	6.49%	6.34%	5.95%	9.62%

Source: School District financial records.

Table 5

Cleveland Heights-University Heights City School District

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Table 6

Collection Year	Real Property		Public Utility Personal Property		Total		Total Direct Tax Rate	Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2011	\$ 1,133,384,720	\$ 3,238,242,057	\$ 13,289,430	\$ 15,101,625	\$ 1,146,674,150	\$ 3,253,343,682	\$ 136.80	35.2 %
2012	1,120,618,240	3,201,766,400	13,770,650	15,648,466	1,134,388,890	3,217,414,866	143.70	35.3
2013	1,068,405,140	3,052,586,114	15,110,130	17,170,602	1,083,515,270	3,069,756,716	143.70	35.3
2014	1,068,237,550	3,052,107,286	16,523,940	18,777,205	1,084,761,490	3,070,884,491	149.59	35.3
2015	1,057,992,160	3,022,834,743	17,518,250	19,907,102	1,075,510,410	3,042,741,845	149.59	35.3
2016	1,036,743,190	2,962,123,400	17,942,510	20,389,216	1,054,685,700	2,982,512,616	149.59	35.4
2017	1,037,664,430	2,964,755,514	18,981,440	21,569,818	1,056,645,870	2,986,325,332	155.59	35.4
2018	1,025,158,440	2,929,024,114	20,548,510	23,350,580	1,045,706,950	2,952,374,694	156.09	35.4
2019	1,092,297,090	3,120,848,829	21,381,610	24,297,284	1,113,678,700	3,145,146,113	154.20	35.4
2020	1,082,425,570	3,092,644,486	23,613,970	26,834,057	1,106,039,540	3,119,478,543	153.60	35.5

Source: Cuyahoga County Fiscal Officer – Data is presented on a calendar year basis, consistent with the County Fiscal Officer's method of maintaining the information.

Estimated actual values are calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility is assessed at 88 percent of actual value.

Property in Cuyahoga County is reassessed once every three years on average. Tax rates are per \$1,000 of assessed value.

Cleveland Heights-University Heights City School District

Principal Taxpayers – Real Estate Tax

Fiscal Year 2020 and Fiscal Year 2011

Table 7

Name of Taxpayer	December 31, 2019 (1)	
	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illuminating Co.	\$ 14,113,210	1.30%
Inland Cedar Center South, LLC	6,395,970	0.59%
Inland Cedar Center North, LLC	5,385,560	0.50%
East Ohio Gas Co.	5,110,200	0.47%
Oakwood Commons LLC	4,962,340	0.46%
Wal-Mart Real Estate Business Trust	4,883,660	0.45%
American Transmission System	4,584,680	0.42%
John Carroll University	4,536,350	0.42%
Cleveland Heights City	3,963,840	0.37%
Waldorf Partners LTD	2,906,190	0.27%
Total	\$ 56,842,000	5.25%

Name of Taxpayer	December 31, 2010 (2)	
	Assessed Value (2)	Percent of Total Assessed Value
Severance Spe Lease Co., LLC (SCIT, Inc.)	\$ 18,470,070	1.63%
Kaiser Foundation Health Plan of Ohio	11,621,820	1.03%
Inland Western University	6,377,040	0.56%
Coral Cedar Center LLC	6,093,970	0.54%
The May Department Stores	4,975,180	0.44%
ARC Cleveland Hts LLC	3,757,150	0.33%
Concord Park I, II & III, LLC	2,591,190	0.23%
Target Corp	2,555,010	0.23%
Kensington, LTD	2,520,000	0.22%
Western Reserve (Severance Housing Corp)	2,229,290	0.20%
Total	\$ 61,190,720	5.41%

Source: Cuyahoga County Fiscal Officer

- (1) Assessed values are for the 2020 collection year.
- (2) Assessed values are for the 2011 collection year.

Cleveland Heights-University Heights City School District

Property Tax Rates – Direct and Overlapping Governments

Last Ten Years

Table 8

Tax Year/ Collection Year	School Levy	County Levy	City Levy	Metro Parks Levy	Library Levy	Tri-C Levy	Cleveland Port Authority Levy	Total Levy	Debt Service Included in Total Levy			Total	
									School	County	City		Tri-C
2010/2011	\$ 136.80(1)	\$ 13.32	\$ 12.90	\$ 1.85	\$ 7.80	\$ 2.80	\$ 0.13	\$ 175.60	\$ 3.80	\$ 0.74	\$ 6.48	\$ -	\$ 11.02
2011/2012	143.70(2)	13.22	12.90	1.85	7.80	3.10	0.13	182.70	0.70	0.85	2.90	-	4.45
2012/2013	143.70(2)	13.22	13.00	1.85	7.80	3.10	0.13	182.80	0.70	0.85	3.00	-	4.55
2013/2014	149.59(3)	14.05	12.90	2.75	7.80	3.10	0.13	190.32	6.59	0.85	2.55	-	9.99
2014/2015	149.59(3)	14.05	13.92	2.75	10.00	4.00	0.13	194.44	6.59	0.85	2.65	-	10.09
2015/2016	149.59(3)	14.05	13.92	2.75	10.00	4.00	0.13	194.44	6.59	0.95	3.00	-	10.54
2016/2017	155.59(4)	14.05	13.92	2.75	10.00	4.00	0.13	200.44	7.09	0.95	3.00	-	11.04
2017/2018	156.09(5)	14.05	12.42	2.75	10.00	4.50	0.13	199.94	7.59	0.95	1.50	-	10.04
2018/2019	154.20(6)	14.05	12.42	2.75	10.00	4.50	0.13	198.05	5.70	0.95	1.50	0.50	8.65
2019/2020	153.60(7)	14.05	12.42	2.75	10.00	4.90	0.13	197.85	5.10	0.55	1.50	0.50	7.65

Source: Cuyahoga County Fiscal Officer. Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Fiscal Officer.

- (1) District's direct rate is comprised of \$132.30 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$7 in the Bond Retirement Fund.
- (2) District's direct rate is comprised of \$139.20 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$7 in the Bond Retirement Fund.
- (3) District's direct rate is comprised of \$139.20 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$6.59 in the Bond Retirement Fund.
- (4) District's direct rate is comprised of \$144.70 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$7.09 in the Bond Retirement Fund.
- (5) District's direct rate is comprised of \$144.70 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$7.59 in the Bond Retirement Fund.
- (6) District's direct rate is comprised of \$144.70 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$5.70 in the Bond Retirement Fund.
- (7) District's direct rate is comprised of \$144.70 in the General Fund, \$3.80 in the Permanent Improvement Fund and \$5.10 in the Bond Retirement Fund.

Cleveland Heights-University Heights City School District

Property Tax – Levies and Collections – Real and Tangible Personal Property

Last Ten Years

Table 9

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Percent of Total Collections to Tax Levy
2010/2011	\$ 77,544,197	\$ 7,955,876	\$ 85,500,073	\$ 70,779,938	91.28 %	\$ 3,834,324	\$ 74,614,262	87.27 %
2011/2012	77,532,166	8,729,765	86,261,931	70,108,742	90.43	3,494,985	73,603,727	85.33
2012/2013	85,035,680	10,219,590	95,255,270	78,252,617	92.02	4,012,461	82,265,078	86.36
2013/2014	84,009,574	11,665,988	95,675,562	77,585,448	92.35	3,779,198	81,364,646	85.04
2014/2015	90,585,706	12,775,749	103,361,455	83,479,091	92.15	4,636,048	88,115,139	85.25
2015/2016	89,956,812	15,510,292	105,467,104	84,034,219	93.42	4,317,182	88,351,401	83.77
2016/2017	90,097,918	16,044,426	106,142,344	84,289,202	93.55	3,512,990	87,802,192	82.72
2017/2018	95,802,609	16,233,458	112,036,067	88,161,090	92.02	4,256,109	92,417,199	82.49
2018/2019	97,301,556	17,557,160	114,858,716	90,046,301	92.54	4,599,730	94,646,031	82.40
2019/2020	95,967,398	19,189,804	115,157,202	86,000,573	89.61	5,207,588	91,208,161	79.20

Source: Cuyahoga County Fiscal Officer – Data is presented on a calendar year basis, consistent with the County Fiscal Officer’s method of maintaining the information.

Delinquent collections are presented in the fiscal year collected, consistent with the County Fiscal Officer’s method of maintaining the information. District is working with the County to obtain the delinquent collection information by original levy year rather than collection year in future years. At this point the information is not available.

Levy information includes Homestead/Rollback taxes assessed locally but distributed through the state and reported as intergovernmental revenue.

Cleveland Heights-University Heights City School District

Computation of Direct and Overlapping General Obligation Bonded Debt

As of December 31, 2019

Table 10

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District(1)	Amount Applicable to School District
Direct:			
Cleveland Heights-University Heights City School District	\$ 167,145,739	100.00 %	\$ 167,145,739
Total direct	<u>167,145,739</u>		<u>167,145,739</u>
Overlapping			
City of Cleveland Heights	18,220,000	95.57	17,413,049
City of South Euclid	15,019,877	8.67	1,301,549
City of University Heights	2,070,000	100.00	2,070,000
Cuyahoga County	245,120,000	4.00	9,814,470
Cuyahoga Community College	207,010,000	4.00	8,288,567
Total overlapping	<u>487,439,877</u>		<u>38,887,635</u>
Grand total	\$ <u>654,585,616</u>		\$ <u>206,033,374</u>

Source: Cuyahoga County Fiscal Officer - Data is presented on a calendar year basis, consistent with the County Fiscal Officer's method of maintaining the information.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2020 collection year.

Cleveland Heights-University Heights City School District

Computation of Legal Debt Margin

Last Ten Fiscal Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed valuation	\$ 1,146,674,150	\$ 1,134,388,890	\$ 1,083,515,270	\$ 1,084,761,490	\$ 1,075,510,410	\$ 1,054,685,700	\$ 1,056,645,870	\$ 1,045,706,950	\$ 1,113,678,700	\$ 1,082,425,570
Debt limit - 9% of assessed value	\$ 103,200,674	\$ 102,095,000	\$ 97,516,374	\$ 97,628,534	\$ 96,795,937	\$ 94,921,713	\$ 95,098,128	\$ 94,113,626	\$ 100,231,083	\$ 97,418,301
Amount of debt applicable to debt limit:										
General obligation bonds	9,390,000	8,455,000	7,596,407	141,144,915	140,948,900	140,793,127	140,628,654	139,978,681	139,389,203	139,009,230
Exempt debt	-	-	-	(40,803,518)	(40,876,406)	(41,881,632)	(42,254,977)	(41,670,186)	(34,852,485)	(39,272,158)
Total	9,390,000	8,455,000	7,596,407	100,341,397	100,072,494	98,911,495	98,373,677	98,308,495	104,536,718	99,737,072
Less: amount available in debt service funds	(619,703)	(683,128)	(162,985)	(2,712,863)	(3,276,557)	(3,989,782)	(3,275,549)	(4,194,869)	(4,305,635)	(2,318,771)
Amount of debt subject to the limit	8,770,297	7,771,872	7,433,422	97,628,534	96,795,937	94,921,713	95,098,128	94,113,626	100,231,083	97,418,301
Overall debt margin	\$ 94,430,377	\$ 94,323,128	\$ 90,082,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt margin - .10% of assessed value (1)	\$ 1,146,674	\$ 1,134,389	\$ 1,083,515	\$ 1,084,761	\$ 1,075,510	\$ 1,054,686	\$ 1,056,646	\$ 1,045,707	\$ 1,113,679	\$ 1,082,426
Amount of debt applicable	-	-	-	-	-	-	-	-	-	-
Unvoted debt margin	\$ 1,146,674	\$ 1,134,389	\$ 1,083,515	\$ 1,084,761	\$ 1,075,510	\$ 1,054,686	\$ 1,056,646	\$ 1,045,707	\$ 1,113,679	\$ 1,082,426
Total net debt applicable to the limit as a percentage of debt limit	8.50%	7.61%	7.62%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Cuyahoga County Fiscal Officer and School District financial records

Cleveland Heights-University Heights City School District

Ratio of Outstanding Debt to Total Personal Income and Debt per Capita

Last Ten Years Table 12

Year	General Obligation Bonds	Accrued Interest on CABs	Certificates of Participation	Energy Conservation Notes	Capital Leases	Qualified Zone Academy Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2011	\$ 7,480,000	-	-	\$ 1,910,000	\$ 1,544,828	\$ 5,500,000	\$ 16,434,828	1.18 %	\$ 275.47
2012	7,160,000	-	-	1,295,000	758,514	5,500,000	14,713,514	1.05	246.62
2013	6,936,407	-	-	660,000	318,414	5,500,000	13,414,821	0.96	224.85
2014	142,955,899	62,516	20,970,227	-	246,742	5,500,000	169,735,384	12.16	2,845.04
2015	142,368,907	333,985	20,301,187	-	139,039	5,500,000	168,643,118	12.08	2,826.74
2016	141,861,916	628,212	19,862,147	-	428,477	5,500,000	168,280,752	12.06	2,820.66
2017	141,319,924	948,739	19,413,107	-	337,129	5,500,000	167,518,899	12.00	2,807.89
2018	149,240,512	1,318,766	18,959,067	-	241,861	5,500,000	175,260,206	12.56	2,937.65
2019	147,869,935	1,774,288	18,500,027	-	210,785	5,500,000	173,855,035	12.46	2,914.10
2020	146,715,151	2,223,522	18,030,987	-	176,079	-	167,145,739	11.98	2,801.64

Source: School District financial records.

Cleveland Heights-University Heights City School District

Ratio of Net General Obligation Debt to Assessed Value and Net Debt per Capita

Last Ten Fiscal Years	Table 13									
Fiscal Year	Gross General Bonded Debt(1)	Net Position Restricted for Debt Service Funds	Net General Bonded Debt	Estimated Actual Value(2)	Population(3)	Ratio of Net Debt to Estimated Actual Value	Debt Per Capita			
2010/2011	\$ 9,390,000	\$ 656,723	\$ 8,733,277	\$ 3,253,343,682	59,660	0.27 %	\$ 146			
2011/2012	8,455,000	756,981	7,698,019	3,217,414,866	59,660	0.24	129			
2012/2013	7,596,407	239,222	7,357,185	3,069,756,716	59,660	0.24	123			
2013/2014	142,955,899	2,907,465	140,048,434	3,070,884,491	59,660	4.56	2,347			
2014/2015	142,368,907	3,879,732	138,489,175	3,042,741,845	59,660	4.55	2,321			
2015/2016	141,861,916	4,055,002	137,806,914	2,982,512,616	59,660	4.62	2,310			
2016/2017	141,319,924	3,143,643	138,176,281	2,986,325,332	59,660	4.63	2,316			
2017/2018	149,240,512	-	149,240,512	2,952,374,694	59,660	5.05	2,502			
2018/2019	147,869,935	-	147,869,935	3,145,146,113	59,660	4.70	2,479			
2019/2020	146,715,151	-	146,715,151	3,119,478,543	59,660	4.70	2,459			

Sources:

- (1) School District financial records.
- (2) Cuyahoga County Fiscal Officer.
- (3) U.S. Census data.

Cleveland Heights-University Heights City School District

Demographic and Economic Statistics

Last Ten Fiscal Years Table 14

Year	County Population (1)	Cleveland Heights Population (1)	University Heights Population (1)	School Enrollment (2)	Unemployment Rate (3)	Cleveland Heights Median Family Income	University Heights Median Family Income	Total Personal Income (1)	Total Personal Per Capita
2011	1,280,122	46,121	13,539	5,870	8.8 \$	49,056 \$	74,759 \$	1,395,621,460 \$	23,393
2012	1,280,122	46,121	13,539	5,763	6.9	49,056	74,759	1,395,621,460	23,393
2013	1,280,122	46,121	13,539	5,301	8.0	49,056	74,759	1,395,621,460	23,393
2014	1,280,122	46,121	13,539	5,693	7.9	49,056	74,759	1,395,621,460	23,393
2015	1,280,122	46,121	13,539	5,393	6.7	49,056	74,759	1,395,621,460	23,393
2016	1,280,122	46,121	13,539	5,221	6.7	49,056	74,759	1,395,621,460	23,393
2017	1,280,122	46,121	13,539	4,957	6.7	49,056	74,759	1,395,621,460	23,393
2018	1,280,122	46,121	13,539	5,214	6.4	49,056	74,759	1,395,621,460	23,393
2019	1,280,122	46,121	13,539	5,214	6.4	49,056	74,759	1,395,621,460	23,393
2020	1,280,122	46,121	13,539	5,214	6.4	49,056	74,759	1,395,621,460	23,393

Sources:

- (1) Estimated figure from U.S. Census Bureau.
- (2) School District records.
- (3) U.S. Bureau of Labor Statistics.

Cleveland Heights-University Heights City School District

Principal Employers

Fiscal Year 2011 and Fiscal Year 2020

Table 15

Employer	December 31, 2010		December 31, 2019		
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	
John Carroll University	2,313	34.52 %	John Carroll University	2,256	29.81 %
Cleveland Heights-University Heights Board of Education	1,480	22.09	Cleveland Heights-University Heights Board of Education	933	12.33
Cleveland Heights City Hall	780	11.64	Bellefaire Jewish Children's Bureau	810	10.70
Target	381	5.69	Cleveland Heights City Hall	715	9.45
Ohio Permanente Medical Group	365	5.45	Minute Men Select Inc.	585	7.73
Walmart	350	5.22	MetroHealth System	566	7.48
Kaiser Foundation	310	4.63	Whole Foods	470	6.21
Zagara's	278	4.15	Target	440	5.81
Bellefaire Jewish Children's Bureau	229	3.42	CAS Health Investors Inc.	397	5.25
Just Like Famille III	214	3.19	Hebrew Academy of Cleveland	396	5.23
Total	6,700	100.00 %	Total	7,568	100.00 %
Total Employment within the School District	N/A		Total Employment within the School District	N/A	

N/A – Information was not available.

Source: Cities of Cleveland Heights and University Heights.

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program

Last Ten Fiscal Years

Table 16

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020(a)
Boulevard Elementary School										
Constructed in 1975										
Total Building Square Footage	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437	51,437
Enrollment Grades K-5	340	332	296	304	325	305	286	306	268	286
Regular Instruction Teachers	24	22	24	24	24	25	22	22	19	19
Special Instruction Teachers	5	3	5	5	5	3	6	6	6	6
Canterbury Elementary School										
Constructed in 1927										
Total Building Square Footage	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800	65,800
Enrollment Grades K-5	391	354	374	380	345	373	389	401	405	364
Regular Instruction Teachers	26	24	25	25	24	24	26	25	23	23
Special Instruction Teachers	5	5	5	5	5	3	5	4	4	4
Bellefaire School										
Constructed in 1928										
Total Building Square Footage	22,000	22,000	22,000	22,000	22,000	-	-	-	-	-
Enrollment Grades K-5	70	76	71	-	-	-	-	-	-	-
Regular Instruction Teachers	10	9	8	-	-	-	-	-	-	-
Special Instruction Teachers	15	13	12	-	-	-	-	-	-	-
Coventry Elementary School										
Constructed in 1975										
Total Building Square Footage	61,200	61,200	61,200	61,200	61,200	-	-	-	-	-
Enrollment Grades K-5	-	-	-	-	-	-	-	-	-	-
Regular Instruction Teachers	-	-	-	-	-	-	-	-	-	-
Special Instruction Teachers	-	-	-	-	-	-	-	-	-	-
Fairfax Elementary School										
Constructed in 1975										
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Enrollment Grades K-5	412	386	392	299	334	327	339	341	359	340
Regular Instruction Teachers	27	26	26	22	24	30	28	28	23	23
Special Instruction Teachers	6	6	6	5	5	3	7	8	8	8
Gearity Professional Development School										
Constructed in 1954										
Total Building Square Footage	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856	70,856
Enrollment Grades K-5	297	360	338	365	268	252	261	266	258	252
Regular Instruction Teachers	22	20	24	24	24	31	30	26	22	23
Special Instruction Teachers	12	11	10	10	5	3	7	10	11	12
Noble Elementary School										
Constructed in 1922										
Total Building Square Footage	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250
Enrollment Grades K-5	401	424	423	381	421	415	369	381	337	348
Regular Instruction Teachers	26	24	30	30	30	31	30	28	25	25
Special Instruction Teachers	4	4	7	7	7	4	4	3	3	3
Deborah S. Delisle Educational Options Center										
Constructed in 1923										
Total Building Square Footage	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Total Building Square Footage	-	-	116	116	100	86	116	126	122	115
Enrollment Grades K-5	-	-	11	11	10	11	11	11	9	7
Regular Instruction Teachers	-	-	1	1	1	-	2	1	1	1
Special Instruction Teachers	-	-	-	-	-	-	-	-	-	-

Continued

Cleveland Heights-University Heights City School District

Building Statistics by Function/Program (continued)

Last Ten Fiscal Years

Table 16

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020(a)
Oxford Elementary School										
Constructed in 1928	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400	61,400
Total Building Square Footage	358	325	340	328	294	291	270	279	268	273
Enrollment Grades K-5	25	23	25	25	24	24	24	24	25	20
Regular Instruction Teachers	3	3	4	4	4	3	6	5	4	4
Special Instruction Teachers										
Roxboro Elementary School										
Constructed in 1920										
Total Building Square Footage	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600	55,600
Enrollment Grades K-5	338	410	408	404	423	365	328	330	307	299
Regular Instruction Teachers	23	23	29	29	29	27	26	24	17	18
Special Instruction Teachers	5	4	3	3	4	3	4	5	6	6
Monticello Middle School										
Constructed in 1930										
Total Building Square Footage	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Enrollment Grades 6-8	462	367	400	400	597	591	558	575	568	573
Regular Instruction Teachers	36	34	31	31	37	52	46	41	39	39
Special Instruction Teachers	11	10	9	9	11	7	9	9	11	12
Roxboro Middle School										
Constructed in 1931										
Total Building Square Footage	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380	113,380
Enrollment Grades 6-8	534	517	436	487	645	619	611	631	582	594
Regular Instruction Teachers	44	41	39	39	41	52	50	44	37	39
Special Instruction Teachers	9	9	9	9	9	7	9	13	13	13
Wiley Middle School										
Constructed in 1954										
Total Building Square Footage	133,127	133,127	133,127	133,127	133,127	-	-	-	-	-
Enrollment Grades 6-8	425	387	403	402	-	-	-	-	-	-
Regular Instruction Teachers	35	35	30	30	-	-	-	-	-	-
Special Instruction Teachers	8	8	8	8	-	-	-	-	-	-
Cleveland Heights High School										
Constructed in 1925										
Total Building Square Footage	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400	395,400
Enrollment Grades 9-12	1,842	1,828	1,400	1,254	1,522	1,597	1,430	1,578	1,555	1,512
Regular Instruction Teachers	112	115	110	113	113	120	113	99	91	93
Special Instruction Teachers	27	24	24	25	25	11	25	21	24	22

Source: School District's appraisal reports and personnel records.

(a) Information does not include preschool enrollment or teachers.

Cleveland Heights-University Heights City School District

Per Pupil Cost

Table 17

Year	General Fund Expenditures (1)	Average Daily Student Enrollment (2)	Per Pupil Cost	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students who Receive Free or Reduced Lunch (3)
2011	\$ 98,849,032	5,870	\$ 16,840	4.12 %	520	11.29	59.60 %
2012	107,508,894	5,763	18,655	10.78	607	9.49	59.26
2013	107,118,276	5,301	20,207	8.32	531	9.98	56.50
2014	122,006,030	5,693	21,431	60.60	513	11.10	63.71
2015	110,738,646	5,393	20,534	(4.19)	583	9.25	67.72
2016	109,147,094	5,221	20,905	1.81	469	11.13	65.00
2017	109,836,875	4,957	22,158	5.99	459	10.80	100.00
2018	110,665,728	5,214	21,225	(4.21)	457	11.41	100.00
2019	116,458,084	5,029	23,157	9.10	460	10.93	100.00
2020	118,596,125	5,096	23,272	0.50	504	10.11	100.00

Source: School District records.

(1) Includes other financing uses. Reported on the modified accrual basis of accounting.

(2) Based upon EMIS information provided to the Ohio Department of Education.

(3) Information provided by School District's Food Service Department.

Note:

In 2017 the District became eligible for the Community Eligibility Provision. This allows the District to serve breakfast and lunch at no cost to all enrolled students without collection household applications.

Cleveland Heights-University Heights City School District

Teacher Education and Experience

Last Ten Fiscal Years Table 18

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Degree										
Associate's Degree	-	-	-	-	-	-	-	-	1	2
Bachelor's Degree	112	89	94	127	63	71	56	62	75	79
Master's Degree	403	402	431	380	410	393	397	389	379	351
PhD	5	5	6	6	6	5	6	6	5	5
Total	520	496	531	513	479	469	459	457	460	437
Years of Experience										
0-5	103	52	116	157	46	127	79	72	53	58
6-10	98	177	142	113	104	122	143	121	106	108
11 and over	319	267	273	243	329	220	237	264	301	271
Total	520	496	531	513	479	469	459	457	460	437

Source: School District personnel records.

Cleveland Heights-University Heights City School District

Attendance and Graduation Rates

Table 19

Year	District Attendance Rate	State Average	District Graduation Rate	State Average
2011	94.90 %	94.50 %	75.50 %*	90.20 %*
2012	94.80	95.20	78.00 *	81.30 *
2013	94.60	94.20	80.00 *	82.20 *
2014	94.40	94.30	81.30 *	82.30 *
2015	93.20	94.10	85.70 *	83.00 *
2016	93.00	94.10	85.60 *	83.50 *
2017	92.80	93.90	84.90 *	84.10 *
2018	91.80	93.70	86.60 *	85.30 *
2019	(b)	(b)	89.60 *	85.90 *
2020	(b)	(b)	(a)	(a)

Source: Ohio Department of Education Local Report Card.

*Graduation rate based on 4-year longitudinal graduation rate calculation.

(a) Information is not available until the subsequent year.

(b) Information is no longer available.

Cleveland Heights-University Heights City School District

Full-time School District Employees by Function

Last Ten Fiscal Years Table 20

Function:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction:										
Regular	410	382	374	360	367	369	365	360	334	312
Special	110	148	161	155	153	86	85	97	92	96
Vocational	18	21	19	20	17	14	14	14	14	13
Adult/continuing	3	1	-	-	-	-	-	-	-	-
Other	2	13	15	11	10	11	11	11	-	-
Support services:										
Pupil	158	113	125	115	135	130	132	144	157	198
Instructional staff	49	63	68	64	52	56	56	60	66	22
Administration	59	65	62	63	61	43	43	45	45	45
Fiscal	11	10	10	10	10	7	7	8	7	7
Business	4	4	3	3	3	1	1	1	1	1
Operations of maintenance of plant	96	96	93	90	85	74	76	77	97	91
Pupil transportation	32	42	34	40	44	39	36	38	40	39
Central	22	23	19	20	20	19	19	19	21	19
Operations of non-instructional services:										
Community services (1)	36	42	51	45	39	39	40	40	46	52
Other	1	1	1	1	1	1	1	1	2	42
Extracurricular activities	3	12	2	2	2	1	2	2	1	1
Total	1,014	1,036	1,037	999	999	890	888	917	923	938

Source: School District personnel records.

(1) Includes food services personnel.

ABOUT THE ARTWORK

The artwork displayed throughout this report was created by Cleveland Heights – University Heights elementary, middle and high school students. We are grateful to them for allowing us to showcase their artistic talents.

CLEVELAND UNIVERSITY HEIGHTS
CITY SCHOOL DISTRICT

UNIVERSITY HEIGHTS, OHIO





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